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ABSTRACT

This publication highlights and explains relevant Minnesota legislative developments affecting higher education. For each bill, there is a summary provided in plain English, followed by copies of related portions of the legislation. The bills presented are: (1) Higher Education Omnibus Funding Bill (H.F. 2380); (2) Bonding Omnibus Bill (H.F. 2205); (3) State Employee Compensation Bill (Pay Bill) (S.F. 1721); (4) State Government Finance Bill (H.F. 878); (5) Pension Omnibus Bill (S.F. 319); (6) K-12 Education Omnibus Funding Bill (S.F. 2333); (7) Economic Development Omnibus Bill (H.F. 2390); (8) Employment and Training Data Collection Bill (H.F. 1051); (9) Data Practices Omnibus Bill (S.F. 653); (10) Transportation Omnibus Bill (H.F. 2387); (11) Environment & Agriculture Omnibus Bill (S.F. 2226); (12) Judiciary Finance Omnibus Bill (S.F. 2221); (13) Health & Human Resources Omnibus Bill (S.F. 2225); (14) Tax Bill (H.F. 2420); and (15) Family & Early Childhood Omnibus Bill (H.F. 1467). A map and list of state institutions are included. (RH)

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ED 442 352

'99 SESSION

MANDATES AND CURIOSITIES

Minnesota State Colleges & Universities

HE 032 926

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'99 Session
Mandates and Curiosities

Minnesota State Colleges and Universities is the largest single provider of higher education in the state of Minnesota and includes community colleges, technical colleges and state universities. The system serves approximately 140,000 students each year. Minnesota State Colleges and Universities has campuses located around the state and in metro area.

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Legislative Mandates and Curiosities - 1999

Introduction

This was a frustrating year for the Minnesota State Colleges and Universities by any measure. We started the session by involving all our stakeholders in developing the request. That involvement paid big dividends in the sense that it resulted in students, faculty, staff and trustees all working toward a common goal. We have never experienced a more energetic response when we asked for grassroots support. Unfortunately, the hard work of the presidents, faculty, staff and students in support of the Board's initiatives was not enough in this strange year to get us to our goal. We will redouble our efforts next year.

For those of you who are new to this publication, it is designed to highlight and explain relevant legislative developments affecting higher education. The summary is organized by specific bills as opposed to topical categories.

In addition to the bill summaries, which we endeavor to provide in plain English, we have appended copies of related portions of key legislation. **Readers are cautioned against relying on summaries alone. When a detailed understanding of a new law is required, you are well advised to revert directly to the actual law.**

Questions about legislation contained in this document should be directed to John Kaul, 296-6277; John Ostrem, 297-1482; or Mary Stanton, 296-0669. We have tried to summarize all the relevant legislation, but with such large volumes of new laws from which to choose it is possible we have missed something along the way.

A very special thank you is in order for the people who get the least recognition for all their hard work. We are much indebted to House and Senate staff. These people put in long hours on matters of great importance to us. Without their help and support and the support of the people who constitute our institutions, the task would be insurmountable.

John Kaul

John Ostrem

Mary Stanton

1999 • MANDATES AND CURIOSITIES • 1999

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HIGHER EDUCATION OMNIBUS FUNDING BILL
H.F. 2380 (Chapter 214)

Section	ARTICLE 1 APPROPRIATIONS	Language Page
1	**Higher Education Appropriations**	17

Summary by Agency All Funds

	2000	2001	Total
Higher Education Services Office	$149,926,000	$160,527,000	$310,453,000
Board of Trustees of the Minnesota State Colleges and Universities	$543,597,000	$572,394,000	$1,115,991,000
Board of Regents of the University Of Minnesota	$585,558,000	$606,379,000	$1,191,937,000
Mayo Medical Foundation	$1,546,000	$1,637,000	$3,183,000

2 **Higher Education Services Office** 18

Subdivision 1. Total Appropriation. Delineates total appropriations to the Higher Education Services Office: $149,926,000 in FY00 and $160,527,000 in FY 01.

Subd. 2. State Grants. Appropriates $117,907,000 in FY 00 and $128,367,000 in FY 01 to the State Grant Program.

HESO is expected to make full grant awards each year of the biennium.

Sets private tuition maximum for four-year institutions at $8,300 the first year and $8,550 the second year; and for two-year institutions at $6,390 the first year and $6,580 the second year of the biennium.

Sets the living and miscellaneous expense (LME) allowance at $5,075 in year one and $5,185 in year two. Funded in part from the anticipated Federal Pell increase.

Includes funding for matching grants for the National Service Scholars program for high school students who will attend a Minnesota post-secondary institution.

Subd. 3. Interstate Tuition Reciprocity. Appropriates $4,500,000 each Year to fund the tuition reciprocity contract obligations.

Subd. 4. State Work Study. Appropriates $12,444,000 each year to fund the State Work Study Program. HESO is directed to collect data from all participating institutions on the use of child care and work study allocations. The data will include number of hours worked, payment per hour, unmet demand, etc. and will be reported to the Legislature by January 15, 2000.

Subd. 5. Minitex Library Program. Appropriates $4,948,000 each year for Minitex and MnLINK operations, Minnesota Library Access Center and on-line databases for journals and periodicals.

Subd. 6. Learning Network of Minnesota. Appropriates $5,178,000 in FY00 and $5,179,000 in FY01 to fund regional telecommunications organizations.

Subd. 7. Income Contingent Loans. Continuing language authorizing HESO to fund a loan repayment program for graduates of health professional programs (GRIP). No new participants are accepted and HESO will work with the U of M Academic Health Center to consider debt problems and solutions for health professional students and report on findings and recommendations by February 1, 2000.

Subd. 8. Edvest. Appropriates $1,520,000 each year authorizing HESO, on a one-time basis to enter into a contract for up to eight years with a third-party for vendor services.

Subd. 9. Agency Administration. Appropriates $3,429,000 in FY00 and $3,549,000 in FY01 to HESO to fund the Minnesota Minority Education Partnership. Money is to foster outreach to historically underserved groups of K-12 students to encourage post-secondary attendance.

This appropriation is also to fund the Library Planning Task Force and extends its sunset until June 30, 2001.

Subd. 10. Balances Forward. Allows HESO to carry balances forward into the second year of the biennium.

Subd. 11. Transfers. Allows HESO to transfer unencumbered balances to the State Grant, Tuition Reciprocity, Child Care and State Work Study appropriations.

3 **Board of Trustees of the Minnesota State Colleges and Universities** 21

Subdivision 1. Total Appropriation. Delineates total appropriation to MnSCU: $543,597,000 in FY00 and $572,394,000 in FY01.

Subd. 2. Estimated Expenditures and Appropriations. The Legislature estimates that instructional expenditures will be $678,729,000 in year one and $713,533,000 in year two of the biennium, and estimates that noninstructional expenditures will be $65,093,000 in year one and $66,723,000 in year two of the biennium.

In order to strengthen and support education of students all money appropriated in this section except funds directly related to support of the System Office shall be allocated directly to the campuses.

Neither the Board nor campuses may plan or develop doctoral level programs without Legislative approval.

The appropriation includes $5,000,000 each year for customized training and leveraged equipment purchases.

The appropriation includes money for Repair and Replacement, a degree audit reporting system (DARS), technology infrastructure, Y2K, Virtual University, and ISEEK.

The appropriation includes $5,000,000 each year for grants to historically underfunded institutions demonstrating financial distress. Grants are not to exceed $500,000 and must be spent on instructional programs or student services. The System shall report on the grant distribution by December 31st of each year.

The appropriation includes money to increase access to farm business management programs by expanding capacity and funding additional tuition subsidies.

The appropriation includes money for the Center for Research and Innovation at Bemidji State University.

The appropriation includes start-up funding for a rural research center at Southwest State University.

The appropriation includes money for the agriculture program at the Staples campus of Central Lakes College.

Metropolitan State University is allowed to retain money saved from a reduction in lease costs at its Minneapolis site.

3 Technical and Consolidated colleges are required to use instructional advisory committees of employers, students, and instructors for recommendations on changes in programs. 22

The System is directed to prepare an annual budget for the System Office. The plan must include expenditures for all divisions and review the functions, services, and programs managed or provided by the Office. The Board is to report its findings to the Legislature by February 15, 2000, and articulate an organizational plan for the System Office.

The Board is directed to increase the percentage of total general fund expenditures for direct instructional and academic support in each year of the biennium, and to report to the legislature on those expenditures by February 15 of 2000 and 2001. The report shall be by institution and for the System as a whole.

The Board is directed to evaluate existing programs for teachers of color and urban teachers prior to establishing any new program not specifically authorized in law.

The Board may waive tuition for eligible Southwest Asia veterans.

Colleges may retain revenues in excess of costs for customized training programs. Excess revenues shall be used for expanding and developing customized training programs.

Subd. 3. Health Care and Human Services Tuition Waiver. Appropriates $100,000 each year from the Health Care Access Fund to provide tuition waivers to employees of qualifying consortia health care or human services providers in Minnesota in order to improve recruitment and retention of employees through career ladders. The Legislature intends that future funding for this initiative not come from higher education appropriations. (See SF2225, Article 11, Sections 3-8, and M.S. 116L.10 to 116L.15.).

Subd. 4. Itasca Community College. Authorizes the Board to construct a two-classroom addition and an addition to the child care center at Itasca Community College. Funding is from lease revenue and the 1997 infant child care pilot program and matching money from nonstate sources.

Subd. 5. Winona State University Land. The Board is authorized to sell, at its appraised value, a portion of land owned by Winona State University.

3 Subd. 6. Pine Technical College. The Board may accept Federal funds and is authorized to construct an Advanced Technology Center building at Pine Technical College. 24

4 **Board of Regents of the University of Minnesota** 25
Subdivision 1. Total appropriation. Delineates total appropriation to the U of M: $585,558,000 in FY00 and $606,379,000 in FY01.

Subd. 2. Operations and Maintenance. Estimated expenditures and appropriations are $513,279,000 in FY00 and $533,870,000 in FY01. The Legislature estimates that instructional expenditures will be $461,521,000 in year one and $484,697,000 in year two of the biennium,and estimates that noninstructional expenditures in year one will be $202,367,000 and $201,717,000 in year two of the biennium.

The University is directed to submit a master academic plan addressing needs in the Rochester area, and shall report to the Governor and the Legislature by January 30, 2000. The report shall also include a delineation of mission among the partner institutions in order to avoid competition and duplication. 25

$200,000 is allocated from the Permanent University Fund (PUF) income to the Department of Landscape Architecture for long range planning for reclamation of taconite lands. A matching amount from nonstate sources is required.

The Academic Health Center is directed to consult with the health care community and report to the Legislature on the strategic direction of its programs.

Subd. 3. Health Care Access Fund. $2,837,000 is appropriated each year from the Health Care Access Fund for primary care education initiatives.

Subd. 4. Compulsive Gambling Research Funding. A one-time appropriation of $250,000 is made from the Lottery Prize Fund for research on compulsive gambling.

Subd. 5. Special Appropriation. $72,279,000 in FY00 and $72,509,000 in FY01 is appropriated for University special programs as follows:
(a) Agriculture and Extension Service. $57,588,000 each year is appropriated to the Agriculture Experiment Station, Minnesota Extension Service and other agriculture related programs;
(b) Health Sciences. $5,789,000 in FY00 and $5,846,000 in FY01 is appropriated for various health sciences programs;

4	(c) Institute of Technology. $1,600,000 in FY00 and $1,645,000 in FY01 for certain Institute of Technology programs; (d) System Specials. $7,302,000 in FY00 and $7,430,000 in FY01 is appropriated for various programs.	27
5	**Mayo Medical Foundation** Subdivision 1. Total Appropriation. Delineates total appropriations to the Mayo Medical Foundation of $1,546,000 in FY00 and $1,637,000 in FY01. Subd. 2. Medical School. $554,000 in FY00 and $605,000 in FY01 is appropriated to pay a capitation for Minnesota residents enrolled in the medical school and is to be used to increase rural doctors. Subd. 3. Family Practice and Graduate Residency Program. $601,000 in FY00 and $625,000 in FY01 is appropriated to provide capitation for Minnesota residents enrolled including one living and practicing with a rural doctor in Minnesota. Subd. 4. St. Cloud Hospital-Mayo Family Practice Residency Program. $391,000 in FY00 and $407,000 in FY01 is appropriated to support students in residency programs to prepare rural primary care physicians.	27

Section	ARTICLE 2 RELATED PROVISIONS	Language Page
1	**MNET**. Removes MnSCU from mandated participation in MNET effective July 1, 2000. The Board may participate at its option. (M.S. 16B.465).	28
2	**Hepatitis Information**. All post-secondary institutions are required to provide first-time students with information on the prevention, transmission,and treatment of hepatitis. Consultation with the Department of Health is required in the preparation of materials. (M.S. 135A.14).	29
3	**Hazing Policy**. Language clarifies the method of distribution of the policy to students. (M.S. 135A.155).	29
4	**Student Associations**. Changes references to student associations to reflect consolidation of technical college and community college student. (M.S. 136A.031).	30
5	**State Grants**. Changes the student share of the cost of attendance under the state grant program by lowering the student share to 46% in the second year of the biennium. The minimum state grant is lowered from $300 to $100. (M.S. 136A.121).	30

6	**State Grant Savings**. Any future savings resulting from a Federal Pell grant increase will go into the living and miscellaneous expense allowance (LME). (M.S. 136A.1211).	31
7	**Child Care Grants**. Permits financial aid officers to award grants to 10% above the maximum to compensate for higher charges for infant care in a community. HESO will determine community market costs and review institutional requests for compensatory grant increases in order to ensure need and equal treatment. (M.S. 136A.125).	31
8-10	**Edvest**. Clarifies that costs of marketing the Edvest program must not be paid for through fees on participants. The investment options available to the State Board of Investment under the Edvest program may include investment in mutual funds. The definition of private contributors is broadened to include employers and specifies that these contributions may be made on behalf of a specific beneficiary. (M.S. 136A.243-136A.245).	31
11	**Board of Trustee Term**. Provides that trustees may serve until a successor is appointed. (M.S. 136F.02).	32
12-13	**Student Associations**. Provides amended language due to merger of technical college and community college student associations. Merged association will recruit, screen, and recommend qualified candidates for their student members of the MnSCU Board of Trustees. (M.S. 136F.22).	33
14-15	**Technical College General Education**. These sections clarify that certificates and diplomas are intended to demonstrate competence in vocational/technical fields and, therefore, may only require a general education course component if the program is part of transfer/articulation agreement or if general education courses are required for a particular occupation. Students will receive applied general studies as needed for competency in a program. Technical education students may be assessed for skills necessary in a program but standardized assessment results may not be used to prohibit a student from enrolling in a certificate or diploma program. (M.S. 136F.32)	33
16	**Rochester Branch. (M.S. 137.17)** Subdivision 1. **Establishment**. The Board of Regents, with the cooperation of the Board of Trustees of MnSCU, is authorized to establish a school of professional and graduate studies in Rochester as a nonresidential branch campus of the University of Minnesota. The campus is a joint partnership of Winona State University, Rochester Community and Technical College and the University of Minnesota.	34

16 Subd. 2. **Leadership**. The Rochester branch is intended to strengthen the partnership of institutions in Rochester through better coordination and leadership in the area and that the branch not diminish the role or function of other institutions in Rochester or elsewhere in the region or the State. 34

Subd. 3 & 4. **Missions & Changes**. The Legislature recognizes the importance of distinctive missions and the need to avoid duplication of courses and programs. The University of Minnesota, Winona State University, and Rochester Community and Technical College are to jointly develop a statement of mission and roles for their Rochester programs and services and submit this to the Legislature in January 2000 and anytime in the future that the mission changes.

17 **Joint Powers**. Adds the University of Minnesota to the definition of a governmental unit for purposes of entering into joint powers agreements. (M.S. 471.59). 35

18-19 **Farmer Lender Mediation**. Extends the sunset of the Farmer Lender Mediation program and moves it to the authority of the Director of the Extension Service. (M.S. 583.22). 35

20 **Metro Area Plan and Space Utilization Study**. The Board of Trustees is directed to submit a master academic plan for the metropolitan area, and a systemwide space utilization report by September 1999. 35

21 **Learning Network II.** The Minnesota Education Telecommunications Council, in conjunction with HEAC, is directed to develop a plan for the Learning Network II and report by January 15, 2000. 36

22 **Child Care Study**. The Commissioners of Human Services and Children, Families and Learning are directed to review child care program requirements for the MFIP recipients to determine how to serve those who are approved for a work plan but attend college part-time with no child care coverage. The commissioners are directed to implement adjustments and make recommendations for statutory changes by February 1, 2000. 36

23 **Health Care Curriculum**. The Board of Trustees is required to develop, in consultation with relevant industries, a short-term, competency based curriculum in health care patient services and community support services, and by July 1, 2000,to offer certificates and associate degrees that articulate into baccalaureate programs in health care and human services. The Board shall report on its progress by February 15, 2000. 36

24	**Repealers**. Repeals the nurses of color and the LINC nurses grant programs as of June 30, 1999.	37
25	**Effective Dates**. Various specific effective dates for provisions in this Article. Section 1, removal of MnSCU from MNET is effective July 1, 2000. Section 4, relating to the change in the student share to 46% is effective July 1, 2000. Section 18, extending the farmer-lender mediation sunset effective immediately.	37

Section	ARTICLE 3 PRIVATE CAREER SCHOOLS	Language Page
All	This Article creates the private Career School Act and recodes and clarifies numerous provisions affecting the regulation and licensure of private proprietary schools. (M.S. 141.20-141.35). Programs covered by this Article are generally licensed by HESO. It clarifies the meaning of distance education for purposes of private career schools. It provides for the establishment of civil penalties and imposition of fines for violations of the Act. At section 34 it specifies that the provisions of the Act do not apply to public post-secondary institutions or private post-secondary institutions registered under M.S. 136A. HESO is directed to conduct a study of the licensure and regulation of private, for-profit education and training providers in Minnesota and make recommendations to the legislature by January 15, 2000.	37

HIGHER EDUCATION OMNIBUS FUNDING BILL
Chapter 214 (H.F. 2380)

A bill for an act

relating to education; appropriating money for higher education and related purposes to the higher education services office, board of trustees of the Minnesota state colleges and universities, board of regents of the University of Minnesota, and the Mayo medical foundation, with certain conditions; requiring post-secondary institutions to provide certain information; modifying financial aid provisions; making technical changes to membership and terms of certain advisory councils, boards, and student associations; modifying curriculum provisions for Minnesota state colleges and universities; extending and transferring the farmer-lender mediation program to the Minnesota extension service; requiring certain reports to the legislature; clarifying and changing requirements of private career schools; amending Minnesota Statutes 1998, sections 16B.465, subdivision 4; 135A.14, by adding a subdivision; 135A.155; 136A.031, subdivision 3; 136A.121, subdivision 5; 136A.125, subdivision 4; 136A.243, subdivision 7; 136A.244, subdivision 2; 136A.245, subdivision 6; 136F.02, subdivision 2; 136F.04, subdivision 1; 136F.22, subdivision 1; 136F.32, subdivision 2, and by adding a subdivision; 141.21, subdivisions 3, 5, 6, and by adding subdivisions; 141.25, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, and 12; 141.26, subdivision 2; 141.271, subdivisions 1, 2, 3, 4, 5, 6, and 12; 141.28, subdivisions 3 and 5; 141.29, subdivision 1; 141.31; 141.32; 141.35; 471.59, subdivision 1; and 583.22, subdivision 5; Laws 1986, chapter 398, article 1, section 18, as amended; proposing coding for new law in Minnesota Statutes, chapters 136A; 137; and 141; repealing Minnesota Statutes 1998, sections 136A.1359; 136A.136; 141.22; 141.25, subdivisions 9a, 9b, and 11; and 141.36.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

ARTICLE 1 - APPROPRIATIONS

Section 1. [HIGHER EDUCATION APPROPRIATIONS.]

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or other named fund, to the agencies and for the purposes specified in this article. The listing of an amount under the figure "2000" or "2001" in this article indicates that the amount is appropriated to be available for the fiscal year ending June 30, 2000, or June 30, 2001, respectively. "The first year" is fiscal year 2000. "The second year" is fiscal year 2001. "The biennium" is fiscal years 2000 and 2001.

SUMMARY BY FUND

	2000	2001	TOTAL
General	$1,277,440,000	$1,338,000,000	$2,615,440,000
Health Care Access	2,937,000	2,937,000	5,874,000
Lottery Prize Fund	250,000	-0-	250,000

SUMMARY BY AGENCY - ALL FUNDS

	2000	2001	TOTAL
Higher Education Services Office	149,926,000	160,527,000	310,453,000
Board of Trustees of the Minnesota State Colleges and Universities	543,597,000	572,394,000	1,115,991,000
Board of Regents of the University of Minnesota	585,558,000	606,379,000	1,191,937,000
Mayo Medical Foundation	1,546,000	1,637,000	3,183,000

	APPROPRIATIONS Available for the Year Ending June 30	
	2000	2001
Sec. 2. HIGHER EDUCATION SERVICES OFFICE		
Subdivision 1. Total Appropriation	149,926,000	160,527,000

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. State Grants

117,907,000 128,367,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

The legislature intends that the higher education services office make full grant awards in each year of the biennium.

For the biennium, the private institution tuition maximum shall be $8,300 in the first year and $8,550 in the second year for four-year institutions and $6,390 in the first year and $6,580 in the second year for two-year institutions.

This appropriation contains money to set the living and miscellaneous expense allowance at $5,075 in the first year and $5,185 in the second year.

This appropriation contains money to match scholarship grants made under the National Service Scholars program of the Corporation for National Service to students attending Minnesota high schools and who will attend a Minnesota post-secondary institution. Not more than one matching grant of $500 may be made for each high school per year.

Subd. 3. Interstate Tuition Reciprocity

4,500,000 4,500,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 4. State Work Study

12,444,000 12,444,000

To assist the legislature in future policy and appropriation decisions, the office shall collect information from all participating institutions on the use of child care and work study allocations. For each program, the data shall include at least the number of recipients, the hours for which they receive state money, payment per hour, location of service, unmet demand, returned and additional allocations, and any institutional/system policies that affect recipients. The office shall provide this information to the higher education finance committees by January 15, 2000.

Subd. 5. Minitex Library Program

4,948,000 4,968,000

This appropriation is for Minitex and MnLINK operations, the Minnesota Library Access Center, licensing for online table of contents, and licensing for online journals including online databases for MnLINK.

Subd. 6. Learning Network of Minnesota

5,178,000 5,179,000

Subd. 7. Income Contingent Loans

The higher education services office shall administer an income contingent loan repayment program to assist graduates of Minnesota schools in medicine, dentistry, pharmacy, chiropractic medicine, public health, and veterinary medicine, and Minnesota residents graduating from optometry and osteopathy programs. Applicant data collected by the office for tnis program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program under Minnesota Statutes, section 136A.162. No new applicants may be accepted after June 30, 1995. The higher education services office shall work with the office of the senior vice-president for health sciences at the University of Minnesota to determine the borrowing and repayment problems of students in the academic health center. The higher education services office shall report any findings and recommendations to the higher education finance committees by February 1, 2000.

Subd. 8. Edvest

1,520,000 1,520,000

Notwithstanding Minnesota Statutes, section 16C.05, subdivision 2, the higher education services office may, on a one-time basis, enter into a contract up to eight years with a third party vendor for purposes of starting the Edvest program authorized in Minnesota Statutes, section 136A.241.

Subd. 9. Agency Administration

3,429,000 3,549,000

This appropriation includes money for the Minnesota Minority Education Partnership. This appropriation includes funding to foster post-secondary attendance by providing outreach services to historically underserved groups of Minnesota elementary and secondary students. The office may retain the entire appropriation or contract with other agencies or nonprofit organizations for specific services in this effort.

Notwithstanding Laws 1994, chapter 643, section 69, subdivision 2, the library planning task force shall expire on June 30, 2001.

Subd. 10. Balances Forward
An unencumbered balance in the first year under a subdivision in this section does not cancel but is available for the second year.

Subd. 11. Transfers
The higher education services office may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity appropriation, the child care appropriation, and the state work study appropriation.

Sec. 3. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. Total Appropriation The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.	543,597,000	572,394,000

Subd. 2. Estimated Expenditures and Appropriations
The legislature estimates that instructional expenditures will be $678,729,000 in the first year and $713,533,000 in the second year.

The legislature estimates that noninstructional expenditures will be $65,093,000 in the first year and $66,723,000 in the second year.

The legislature intends that state appropriations be used to strengthen and support education of students. To this end, all money appropriated in this section, except that in direct support of system office activities, shall be allocated by the board directly to the colleges and universities.

During the biennium, neither the board nor campuses shall plan or develop doctoral level programs or degrees until after they have received the recommendation of the house and senate committees on education, finance, and ways and means.

This appropriation includes an increase of $5,000,000 in each year for customized training and leveraged equipment purchases.

This appropriation includes money for repair and replacement of state-financed facilities, a degree audit reporting system, technology infrastructure, Y2K, virtual university, and ISEEK.

This appropriation includes $5,000,000 per year for grants to historically underfunded institutions demonstrating financial distress. Grants must not exceed $500,000. The money must be spent in support of instructional programs or student services. By December 31 of each year, the system shall report to the chairs of the higher education finance committees on the distribution of the grants.

This appropriation includes money to increase access to the farm and small business management programs by expanding the capacity of the programs and providing additional tuition subsidies.

This appropriation includes money for the Center for Research and Innovation at Bemidji State University.

This appropriation includes money for start-up funding for a rural research center at Southwest State University.

This appropriation includes money for the agriculture program at the Staples campus of the Central Lakes college.

Metropolitan State University may retain any money saved from a reduction in lease costs at the 730 Hennepin Avenue South site.

During the biennium, technical and consolidated colleges shall make use of instructional advisory committees consisting of employers, students, and instructors. The instructional advisory committee shall be consulted when a technical program is proposed to be created, modified, or eliminated. If a decision is made to eliminate a program, a college shall adequately notify students and make plans to assist students affected by the closure.

The system shall prepare a budget plan for the system office. The plan shall include budgeted expenditures for each major division or program of the system office. The plan also shall include a review of the current functions, services, and programs managed or provided by the system office. The review shall describe the purpose of these activities and their cost; analyze whether they are necessary and how they benefit the colleges and universities; and identify unnecessary duplication of programs and services provided at the system and institutional levels. The board shall report to the higher education finance committees by February 15, 2000, on its findings and articulate an organizational plan for the system office.

In each year, the board of trustees shall increase the percentage of the total general fund expenditures for direct instruction and academic support, as reported in the federal Integrated Postsecondary Education Data System (IPEDS). By February 15 of 2000 and 2001, the board of trustees shall report to the higher education finance committees the percentage of total general fund expenditures spent on direct instruction and on academic support during the previous fiscal year by institution and for the system as a whole.

Before commencing any new program not specifically authorized by law for teachers of color and urban teachers, the board shall evaluate existing programs and determine whether to expand or modify an existing program or create a new program.

The board may waive tuition for eligible Southwest Asia veterans, as provided in Minnesota Statutes, section 136F.28.

Notwithstanding Minnesota Statutes, section 136F.71, subdivision 1, a state college shall retain revenues in excess of costs for delivering customized training programs. The excess revenues shall be used for expanding and developing customized training programs.

~~Subd. 3. Health Care and Human Services Tuition Waiver~~ **VETOED**

~~100,000 100,000~~

~~This appropriation is from the health care access fund for the board of trustees to provide tuition waivers to employees of health care or human services providers located in this state that are members of qualifying consortia operating under sections to be codified as Minnesota Statutes, sections 116L.10 to 116L.15, as provided in article 11, sections 3 to 8 of S.F. No. 2225, the second engrossment, if enacted. The legislature intends that future funding for this program not come from higher education appropriations.~~

Subd. 4. Itasca Community College

The board of trustees of the Minnesota state colleges and universities is authorized to construct the following facilities at Itasca community college: (1) a two-classroom addition to be located between the college center building and Davies Hall. The project shall be paid for from lease revenue supplied from nonstate sources; and (2) an addition to the existing child care center. The project shall be paid for from the appropriation in Laws 1997, chapter 183, article 1, section 3, subdivision 3, for pilot infant child care programs and from matching money from nonstate sources.

Subd. 5. Winona State University Land

Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the board of trustees may sell a parcel of Winona State University land for no less than its appraised value in a private sale to resolve conflicting property boundaries. Money from the sale is appropriated to the board to be allocated to Winona State University.

Subd. 6. Pine Technical College

The board may accept federal money for and is authorized to construct an advanced technology center building at Pine technical college. The construction of the technology center is contingent upon the receipt of the federal money.

Sec. 4. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.	585,558,000	606,379,000

Subd. 2. Operations and Maintenance
513,279,000 533,870,000

Estimated Expenditures and Appropriations

The legislature estimates that instructional expenditures will be $461,521,000 in the first year and $484,679,000 in the second year.

The legislature estimates that noninstructional expenditures will be $202,367,000 in the first year and $201,717,000 in the second year.

By January 30, 2000, the University shall submit to the governor and the legislature a master academic plan for the Rochester region that clearly defines the academic needs of the region, short and long-term plans to address those needs including the designation of responsibility among the partner institutions, short and long-term demographic and enrollment projections, physical plant capacity and needs, and a delineation of missions among the partner institutions to avoid competition and duplication.

Notwithstanding Minnesota Statutes 1998, section 137.022, subdivision 4, in fiscal year 2001 the first $200,000 of permanent university fund income from royalties for mining under state mineral leases designated for the natural resources research institute shall be allocated by the board of regents to the department of landscape architecture to develop a long-range plan for the reclamation of taconite mining lands. The board shall allocate the money only if an equal or greater amount of matching money from nonstate sources has been pledged to support the project by June 30, 2000.

The University of Minnesota academic health center, after consultation with the health care community and medical education and research costs advisory committee, shall report by January 15, 2000, to the higher education finance committees on the strategic direction of its health professional programs. The plans shall include a programmatic financial model for health professional education that will meet the state's future workforce needs, maintain the integrity of the education process, provide an appropriate level of ongoing financial support, and provide a framework for the health community and academic health center to work together in meeting the health needs of the state. The academic health center is requested to provide the report also to the commissioner of health and the legislative commission on health care access.

Subd. 3. Health Care Access Fund
$2,837,000 each year is appropriated from the health care access fund for primary care education initiatives, which is a one-time increase of $300,000 each year over the base funding.

~~Subd. 4. Compulsive Gambling Research Funding~~ **VETOED**
~~$250,000 from the lottery prize fund shall be appropriated on a one-time basis to the board of regents of the University of Minnesota for the academic health center to conduct research, clinical work, treatment, or teaching related to compulsive gambling addiction.~~

Subd. 5. Special Appropriation
72,279,000 72,509,000

The amounts expended for each program in the four categories of special appropriations shall be separately identified in the 2001 biennial budget document.

(a) Agriculture and Extension Service
57,588,000 57,588,000

This appropriation is for the Agricultural Experiment Station, Minnesota Extension Service, regional sustainable agriculture partnerships, initiatives designed to sustain Minnesota's renewable natural resource-based industries, and for a rapid agricultural response fund to conduct research to solve problems affecting agricultural

products including, but not limited to spring wheat, barley, potatoes, grapes and wine, canola, and turkeys.

Any salary increases granted by the University to personnel paid from the Minnesota Extension appropriation must not result in a reduction of the county responsibility for the salary payments.

During the biennium, the University shall maintain an advisory council system for each experiment station. The advisory councils must be broadly representative of range of size and income distribution of farms and agribusinesses and must not disproportionately represent those from the upper half of the size and income distributions.

(b) Health Sciences

5,789,000 5,846,000

This appropriation is for rural physicians associates program, the Veterinary Diagnostic Laboratory, health sciences research, dental care, and the Biomedical Engineering Center.

(c) Institute of Technology

1,600,000 1,645,000

This appropriation is for the Geological Survey and the Talented Youth Mathematics Program.

(d) System Specials

7,302,000 7,430,000

This appropriation is for general research, student loans matching money, industrial relations education, Natural Resources Research Institute, Center for Urban and Regional Affairs, Bell Museum of Natural History, and the Humphrey exhibit.

Sec. 5. MAYO MEDICAL FOUNDATION

Subdivision 1. Total Appropriation	1,546,000	1,637,000

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Medical School

554,000 605,000

The state of Minnesota shall pay a capitation of $13,200 in the first year and $14,405 in the second year for each student who is a resident of Minnesota. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

The legislature intends that during the biennium the Mayo foundation use the capitation money to increase the number of doctors practicing in rural areas in need of doctors.

Subd. 3. Family Practice and Graduate Residency Program

601,000 625,000

The state of Minnesota provides a capitation of $21,455 in the first year and $22,315 in the second year for each student. The rural training program capitation is $42,910 the first year and $44,630 the second year for one resident.

Subd. 4. St. Cloud Hospital-Mayo Family Practice Residency Program

391,000 407,000

This appropriation is to the Mayo foundation to support 12 resident physicians each year in the St. Cloud Hospital-Mayo Family Practice Residency program. The program shall prepare doctors to practice primary care medicine in the rural areas of the state. It is intended that this program will improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner.

ARTICLE 2 - RELATED PROVISIONS

Section 1. Minnesota Statutes 1998, section 16B.465, subdivision 4, is amended to read:

Subd. 4. [PROGRAM PARTICIPATION.] (a) The commissioner may require the participation of state agencies; and the state board of education, ~~and the board of trustees of the Minnesota state colleges and universities~~ and may request the participation of the board of

regents of the University of Minnesota and the board of trustees of the Minnesota state colleges and universities, in the planning and implementation of the network to provide interconnective technologies. The commissioner shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system.

(b) A direct appropriation made to an educational institution for usage costs associated with the state information infrastructure must only be used by the educational institution for payment of usage costs of the network as billed by the commissioner of administration.

Sec. 2. Minnesota Statutes 1998, section 135A.14, is amended by adding a subdivision to read:

Subd. 6. [HEPATITIS INFORMATION.] All public and private post-secondary education institutions shall provide information regarding the transmission, treatment, and prevention of hepatitis A, B, and C, to all persons who are first-time enrollees. The department of health shall be consulted regarding the preparation of these materials.

Sec. 3. Minnesota Statutes 1998, section 135A.155, is amended to read:

135A.155 [HAZING POLICY.]

The board of trustees of the Minnesota state colleges and universities shall, and the University of Minnesota is requested to, adopt a clear, understandable written policy on student conduct, including hazing. The policy must include procedures for reporting incidents of inappropriate hazing and for disciplinary actions against individual violators and organizations. The policy ~~must be provided to students when they register and must be~~ shall be made available to students by appropriate means as determined by each institution, which may include publication in a student handbook or other institutional publication, or posting by electronic display on the Internet, and shall be posted at appropriate locations on campus. A private post-secondary institution that is an eligible institution as defined in section 136A.101, subdivision 4, must adopt a policy that meets the requirements of this section.

BEST COPY AVAILABLE

Sec. 4. Minnesota Statutes 1998, section 136A.031, subdivision 3, is amended to read:

Subd. 3. [STUDENT ADVISORY COUNCIL.] A student advisory council (SAC) to the higher education services council is established. The members of SAC shall include; the chair of the University of Minnesota student senate;; the state chair of the Minnesota state university student association; ~~the president of the Minnesota community college student association, the president of the Minnesota technical college student association.~~; the president of the Minnesota state college student association and an officer of the Minnesota state college student association, one in a community college course of study and one in a technical college course of study; the president of the Minnesota association of private college students;; and a student who is enrolled in a private vocational school, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a student designee who attends an institution from the same system that the absent member represents. The SAC shall select one of its members to serve as chair.

The higher education services council shall inform the SAC of all matters related to student issues under consideration and shall refer all proposals to the SAC before taking action or sending the proposals to the governor or legislature. The SAC shall report to the higher education services council quarterly and at other times that the SAC considers desirable. The SAC shall determine its meeting times, but it shall also meet with the council within 30 days after the director's request for a meeting.

The SAC shall:

(1) bring to the attention of the higher education services council any matter that the SAC believes needs the attention of the council;

(2) make recommendations to the higher education services council as it finds appropriate;

(3) appoint student members to the higher education services council advisory groups as provided in subdivision 4; and

(4) provide any reasonable assistance to the council.

Sec. 5. Minnesota Statutes 1998, section 136A.121, subdivision 5, is amended to read:

Subd. 5. [GRANT STIPENDS.] The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's

family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

(1) the assigned student responsibility of at least ~~47~~ 46 percent of the cost of attending the institution of the applicant's choosing;

(2) the assigned family responsibility as defined in section 136A.101; and

(3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is ~~$300~~ $100 per academic year.

Sec. 6. [136A.1211] [USE OF STATE GRANT SAVINGS.]

Savings in the state grant program resulting from an increase in the maximum federal Pell grant from the anticipated level of $3,125 shall be used by the office to increase the living and miscellaneous expense allowance.

Sec. 7. Minnesota Statutes 1998, section 136A.125, subdivision 4, is amended to read:

Subd. 4. [AMOUNT AND LENGTH OF GRANTS.] The amount of a child care grant must be based on:

(1) the income of the applicant and the applicant's spouse, if any;

(2) the number in the applicant's family, as defined by the office; and

(3) the number of eligible children in the applicant's family.

The maximum award to the applicant shall be $2,000 for each eligible child per academic year, except that the campus financial aid officer may apply to the office for approval to increase grants by up to ten percent to compensate for higher market charges for infant care in a community. The office shall develop policies to determine community market costs and review institutional requests for compensatory grant increases to ensure need and equal treatment. The office shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

Sec. 8. Minnesota Statutes 1998, section 136A.243, subdivision 7, is amended to read:

Subd. 7. [MARKETING.] The director shall make parents and other interested individuals aware of the availability and advantages of the program as a way to save for higher

education costs. The cost of these promotional efforts ~~must be paid entirely from state general fund appropriations and~~ may not be funded with fees imposed on participants.

Sec. 9. Minnesota Statutes 1998, section 136A.244, subdivision 2, is amended to read:

Subd. 2. [PERMITTED INVESTMENTS.] The board may invest the accounts in any permitted investment under section 11A.24, except that the accounts may be invested without limit in investment options from open-ended investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64.

Sec. 10. Minnesota Statutes 1998, section 136A.245, subdivision 6, is amended to read:

Subd. 6. [PRIVATE CONTRIBUTIONS.] (a) The office may solicit and accept contributions from private corporations, other businesses, foundations, employers, or individuals to provide:

(1) matching grants under this section in addition to those funded with direct appropriations; ~~or~~

(2) grants to students who withdraw money from accounts established under the program; or

(3) contributions to an account on behalf of a beneficiary.

(b) Amounts contributed may only be used for those purposes. Amounts contributed are appropriated to the director ~~to make grants~~ for the purposes of this subdivision.

(c) Contributors may designate a specific field of study, geographic area, or other criteria that govern use of the grants funded with their contributions, but may not discriminate on the basis of race, ethnicity, or gender. The office may refuse contributions that are subject, in the judgment of the director, to unacceptable conditions on their use.

Sec. 11. Minnesota Statutes 1998, section 136F.02, subdivision 2, is amended to read:

Subd. 2. [TERM; COMPENSATION; REMOVAL; VACANCIES.] The compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. Members are appointed for a term of six years, except that the term of each of the student members is two years. Terms end on June 30, except that members may serve until their successors are appointed.

Sec. 12. Minnesota Statutes 1998, section 136F.04, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITY.] Notwithstanding section 136F.03, the ~~statewide community college student association,~~ state university student association, and ~~technical~~ the state college student association shall each have the responsibility for recruiting, screening, and recommending qualified candidates for ~~its~~ their student ~~member~~ members of the board.

Sec. 13. Minnesota Statutes 1998, section 136F.22, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE.] The board shall recognize one statewide student association for the ~~community colleges, one for the~~ state universities, and one for the community and technical colleges. Each campus student association shall be affiliated with its statewide student association and all students enrolled on those campuses shall be members of their respective statewide association.

Sec. 14. Minnesota Statutes 1998, section 136F.32, subdivision 2, is amended to read:

Subd. 2. [TECHNICAL AND CONSOLIDATED TECHNICAL COLLEGES.]

(a) A technical college or consolidated technical community college shall offer students the option of pursuing diplomas and certificates in each technical education program, unless the board determines that ~~this is not practicable for certain programs~~ a degree is the only acceptable credential for career entry in a specific field. All vocational and technical credits earned for a diploma or certificate shall be applicable toward any available degree in the same program.

(b) Certificates and diplomas are credentials that demonstrate competence in a vocational or technical area and, therefore, may include a general education component only as part of an articulation agreement or to meet occupational requirements as established by the trade or profession, or by the program advisory committee. Students shall be provided with applied training in general studies as necessary for competence in the program area. Students who have earned a certificate or diploma may earn a degree in the same field if they complete the general education and other degree requirements.

Sec. 15. Minnesota Statutes 1998, section 136F.32, is amended by adding a subdivision to read:

Subd. 3. [ASSESSMENT.] To reduce barriers to enrollment and to train a skilled workforce, students may be assessed for skills necessary for competency in a technical or

vocational field as part of their program. The results of standardized assessment tests shall not prohibit enrollment in a student's certificate or diploma program.

Sec. 16. [137.17] [ROCHESTER BRANCH.]

Subdivision 1. [ESTABLISH.] The board of regents may establish a school of professional and graduate studies as a nonresidential branch campus of the University of Minnesota, Rochester, to serve the needs of working adults and other nontraditional students in southeastern Minnesota. The campus shall be a joint partnership of the University of Minnesota with Rochester community and technical college, and Winona state university.

The board of trustees of the Minnesota state colleges and universities shall cooperate to achieve the foregoing.

Subd. 2. [LEADERSHIP.] The legislature intends that the Rochester branch strengthen the existing partnership of institutions in Rochester by providing better coordination and leadership in serving the needs of the region, while maintaining a cooperative basis among the institutions. The University of Minnesota is expected to take the leadership role in assessing community needs and facilitating the delivery of upper division and graduate academic programming and student services by existing higher education providers. It is the intent of the legislature that this branch not diminish the role or function of existing higher education institutions in Rochester or elsewhere in the region in which the state already has a significant investment.

Subd. 3. [MISSIONS.] The legislature recognizes that the distinctiveness of each of the partner institutions in Rochester must be maintained to achieve success in serving the higher education needs of the community and the economic goals of the state. Further, the legislature intends that the University of Minnesota and the other partner institutions avoid duplicative offerings of courses and programs. Therefore, the University of Minnesota, Winona state university, and Rochester community and technical college shall develop jointly a statement of missions, roles, and responsibilities for the programs and services at Rochester which shall be submitted to the legislature by January 30, 2000, and any time thereafter that the missions, roles, and responsibilities change.

Subd. 4. [CHANGES.] Major changes in the missions, programs, services or roles of the partner institutions shall be made in full consultation with the partner institutions and the systems.

Sec. 17. Minnesota Statutes 1998, section 471.59, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENT.] Two or more governmental units, by agreement entered into through action of their governing bodies, may jointly or cooperatively exercise any power common to the contracting parties or any similar powers, including those which are the same except for the territorial limits within which they may be exercised. The agreement may provide for the exercise of such powers by one or more of the participating governmental units on behalf of the other participating units. The term "governmental unit" as used in this section includes every city, county, town, school district, other political subdivision of this or another state, another state, the University of Minnesota, and any agency of the state of Minnesota or the United States, and includes any instrumentality of a governmental unit. For the purpose of this section, an instrumentality of a governmental unit means an instrumentality having independent policy making and appropriating authority.

Sec. 18. Minnesota Statutes 1998, section 583.22, subdivision 5, is amended to read:

Subd. 5. [DIRECTOR.] "Director" means the director of the ~~conflict and change center at the University of Minnesota's Humphrey Institute~~ Minnesota extension service or the director's designee.

Sec. 19. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292, section 37; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; Laws 1991, chapter 208, section 2; Laws 1993, First Special Session chapter 2, article 6, section 2; Laws 1995, chapter 212, article 2, section 11; Laws 1997, chapter 183, article 3, section 29; Laws 1998, chapter 395, section 7; and Laws 1998, chapter 402, section 6, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, ~~1999~~ 2001.

Sec. 20. [METRO PLAN AND SPACE UTILIZATION REPORT.]

By September 30, 1999, the board of trustees of the Minnesota state colleges and universities shall submit to the legislature the master academic plan for the metropolitan area as

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required under Laws 1996, chapter 395, section 3, paragraph (e), and a systemwide space utilization report.

Sec. 21. [LEARNING NETWORK II.]

The Minnesota education telecommunications council, in conjunction with the higher education advisory council, shall develop a plan for the governance, financing, and implementation of the learning network II. The councils shall report on the plan to the legislature by January 15, 2000.

Sec. 22. [CHILD CARE STUDY.]

The commissioners of human services and children, families, and learning shall review child care program requirements for Minnesota family investment program participants, to determine how to better serve those participants who are approved for a work plan, but are attending school part time without child care eligibility. As soon as practicable, the commissioners shall implement adjustments to program requirements that they deem appropriate. The commissioners shall report on adjustments implemented, if any, and their recommendations for necessary statutory changes to the appropriate committees of the legislature by February 1, 2000.

Sec. 23. [SHORT-TERM HEALTH CARE CURRICULA.]

By July 1, 2000, the board of trustees of the Minnesota state colleges and universities, in consultation with relevant industries, shall develop a short-term, competency-based, standardized curricula in health care patient services and community support services for persons with long-term care needs. The standardized curricula must provide knowledge that is applicable to persons employed in a wide range of health care settings and human services settings, including home health care assistants, personal care assistants, and certified nursing assistants. By July 1, 2000, the board shall offer certificates and two-year associate degrees that articulate into four-year educational programs in health care services and in human services. The board shall report to the legislature by February 15, 2000, on its progress on implementing this section.

Sec. 24. [REPEALER.]

Minnesota Statutes 1998, sections 136A.1359; and 136A.136, are repealed June 30, 1999.

Sec. 25. [EFFECTIVE DATE.]

(a) Section 1 is effective July 1, 2000.

(b) The change in the student share of the cost of attendance under section 5 is effective July 1, 2000.

(c) Section 19 is effective the day following final enactment.

ARTICLE 3 - PRIVATE CAREER SCHOOLS

Section 1. [141.20] [CITATION.] Sections 141.20 to 141.35 may be cited as the Private Career School Act.

Sec. 2. Minnesota Statutes 1998, section 141.21, subdivision 3, is amended to read:

Subd. 3. [SOLICITOR.] "Solicitor" means a person who for a salary or for commission, acts as an agent, independent contractor, salesperson, or counselor in ~~procuring or attempting to procure~~ recruiting students ~~or enrollees~~ for a ~~course of instruction by solicitation in~~ program using any ~~form made~~ method, at any place except on the actual business premises of the school ~~and except for rendering~~, other than only providing public information ~~service~~ at the invitation or permission of a school or educational organization.

Sec. 3. Minnesota Statutes 1998, section 141.21, subdivision 5, is amended to read:

Subd. 5. [SCHOOL.] "School" means any person, within or ~~without~~ outside the state, ~~that~~ who maintains, advertises, solicits, or conducts any ~~course of instruction~~ program for profit ~~or for a tuition charge~~ at any level other than baccalaureate or graduate programs, and ~~which~~ is not specifically exempted by ~~the provisions of~~ sections 141.21 to ~~141.36~~ 141.35.

Sec. 4. Minnesota Statutes 1998, section 141.21, subdivision 6, is amended to read:

Subd. 6. [COURSE ~~OF INSTRUCTION~~.] "Course ~~of instruction~~" means any classroom, ~~correspondence, or extension course of~~ or distance instruction, any subunit of a program, or any combination thereof.

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Sec. 5. Minnesota Statutes 1998, section 141.21, is amended by adding a subdivision to read:

Subd. 8. [PROGRAM.] "Program" means any course or grouping of courses that is advertised or listed in a school's catalog, brochures, electronic display, or other publications, or for which the school grants a formal recognition.

Sec. 6. Minnesota Statutes 1998, section 141.21, is amended by adding a subdivision to read:

Subd. 9. [DISTANCE EDUCATION SCHOOL.] "Distance education school" means a school that establishes, keeps, or maintains a facility or location where a program is offered through distance instruction.

Sec. 7. Minnesota Statutes 1998, section 141.21, is amended by adding a subdivision to read:

Subd. 10. [DISTANCE INSTRUCTION.] "Distance instruction" means any method of instruction outside the traditional in-classroom instruction, including, but not limited to, the use of the United States mail and other correspondence; Internet and other online computer-based education; or CD-ROM self-instruction.

Sec. 8. Minnesota Statutes 1998, section 141.21, is amended by adding a subdivision to read:

Subd. 11. [ELECTRONIC DISPLAY.] "Electronic display" means text, images, or sound rendered via any electronic device designed to present information, whether generated by the device or transmitted from another source.

Sec. 9. Minnesota Statutes 1998, section 141.25, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED.] ~~No~~ A school ~~shall~~ must not maintain, advertise, solicit for, or conduct any ~~course of instruction~~ program in Minnesota without first obtaining a license from the office.

Sec. 10. Minnesota Statutes 1998, section 141.25, subdivision 2, is amended to read:

Subd. 2. [CONTRACT UNENFORCEABLE.] ~~Any~~ A contract entered into with ~~any~~ a person for a ~~course of instruction after November 15, 1969,~~ program by or on behalf of ~~any~~ a person operating ~~any~~ a school to which a license has not been issued ~~pursuant to~~ under sections 141.21 to ~~141.36~~ 141.35, ~~shall be~~ is unenforceable in any action ~~brought thereon~~.

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Sec. 11. Minnesota Statutes 1998, section 141.25, subdivision 3, is amended to read:

Subd. 3. [APPLICATION.] Application for a license shall be on forms prepared and furnished by the office, and shall ~~contain~~ include the following and ~~such~~ other information as the office may require:

~~(a)~~ (1) the title or name of the school, ~~together with~~ ownership and controlling officers, members, managing employees, and director;

~~(b)~~ (2) the specific ~~fields of instruction~~ programs which will be offered and the specific purposes of ~~such~~ the instruction;

~~(c)~~ (3) the place or places where ~~such~~ the instruction will be given;

~~(d)~~ (4) a listing of the equipment available for instruction in each ~~course of instruction~~ program;

~~(e)~~ (5) the maximum enrollment to be accommodated with equipment available in each specified ~~course of instruction~~ program;

~~(f)~~ (6) the qualifications of instructors and supervisors in each specified ~~course of instruction~~ program;

~~(g)~~ (7) a current balance sheet, income statement, and adequate supporting documentation, prepared and certified by an independent public accountant or CPA;

~~(h)~~ (8) copies of all media advertising and promotional literature and brochures or electronic display currently used or reasonably expected to be used by ~~such~~ the school;

~~(i)~~ (9) copies of all Minnesota enrollment agreement forms and contract forms and all enrollment agreement forms and contract forms used in Minnesota; and

(10) gross income earned in the preceding year from student tuition, fees, and other required institutional charges, unless the school files with the office a surety bond equal to at least $50,000 as described in subdivision 5.

Sec. 12. Minnesota Statutes 1998, section 141.25, subdivision 5, is amended to read:

Subd. 5. [BOND.] (a) No license shall be issued to any school which maintains, conducts, solicits for, or advertises within the state of Minnesota any ~~course of instruction~~ program, unless the applicant files with the office a continuous corporate surety bond ~~in the sum of $10,000~~ written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant. ~~Such~~

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(b) The amount of the surety bond shall be ten percent of the preceding year's gross income from student tuition, fees, and other required institutional charges, but in no event less than $10,000 nor greater than $50,000, except that a school may deposit a greater amount at its own discretion. A school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision, unless the school maintains a surety bond equal to at least $50,000. A school that operates at two or more locations may combine gross income from student tuition, fees, and other required institutional charges for all locations for the purpose of determining the annual surety bond requirement. The gross tuition and fees used to determine the amount of the surety bond required for a school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the school by the students recruited from Minnesota.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum ~~of $10,000~~ deposited by the school under paragraph (b). The surety of any ~~such~~ bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the state treasurer ~~the~~ a sum ~~of~~ ~~$10,000 equal to the amount of the required surety bond~~ in cash, or securities ~~such~~ as may be legally purchased by savings banks or for trust funds in an aggregate market value ~~of $10,000~~ equal to the amount of the required surety bond.

(e) Failure of a school to post and maintain the required surety bond or deposit under paragraph (d) may result in denial, suspension, or revocation of the school's license.

Sec. 13. Minnesota Statutes 1998, section 141.25, subdivision 6, is amended to read:

Subd. 6. [RESIDENT AGENT.] Schools ~~domiciled~~ located outside the state of Minnesota ~~which~~ that offer, advertise, solicit for, or conduct any ~~course of instruction~~ program within the state of Minnesota shall first file with the secretary of state a sworn statement designating a resident agent authorized to receive service of process. ~~Such~~ The statement shall designate the secretary of state as resident agent for service of process in the absence of ~~an~~ a

designated agent ~~otherwise so designated. In the event~~ If a school fails to file ~~such~~ the statement, the secretary of state is ~~hereby~~ designated as the resident agent authorized to receive service of process. ~~Such~~ The authorization shall be irrevocable as to causes of action arising out of transactions occurring prior to the filing of written notice of withdrawal from the state of Minnesota filed with the secretary of state.

Sec. 14. Minnesota Statutes 1998, section 141.25, subdivision 7, is amended to read:

Subd. 7. [MINIMUM STANDARDS.] ~~No~~ A license shall be issued ~~unless~~ if the office first determines:

~~(a)~~ (1) that the applicant has a sound financial condition with sufficient resources available to:

(i) meet the school's financial obligations; ~~to~~

(ii) refund all tuition and other charges, within a period of time, in the event of dissolution of the school or in the event of any justifiable claims for refund against the school by the student body; ~~to~~

(iii) provide adequate service to its students and prospective students; and ~~for the proper use~~

(iv) maintain and support ~~of~~ the school ~~to be maintained~~;

~~(b)~~ (2) that the applicant has satisfactory ~~training~~ facilities with sufficient tools and equipment and the necessary number of work stations to ~~train~~ prepare adequately the students currently enrolled, and those proposed to be enrolled;

~~(c)~~ (3) that the applicant employs a sufficient number of qualified ~~instructors trained by experience and education~~ teaching personnel to ~~give~~ provide the ~~training~~ educational programs contemplated;

~~(d)~~ (4) that the school has an organizational framework with administrative and instructional personnel to provide the programs and services it intends to offer;

(5) that the premises and conditions under which the students work and study are sanitary, healthful, and safe, according to modern standards;

~~(e)~~ (6) that the quality and content of each occupational course or program of ~~instruction or~~ study ~~shall be of such quality and content as to provide~~ provides education and ~~training which will adequately prepare~~ adequate preparation to enrolled students for entry level positions in the

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occupation for which ~~trained~~ prepared;

~~(f)~~ (7) that the living quarters which are owned, maintained, or approved by the applicant for students are sanitary and safe;

~~(g)~~ (8) that the contract or enrollment agreement used by the school complies with the ~~following~~ provisions~~:~~ in section 141.265;

~~(1) the name and address of the school must be clearly stated;~~

~~(2) inclusion of a clear and conspicuous disclosure that such agreement becomes a legally binding instrument upon written acceptance of the student by the school unless canceled pursuant to section 141.271;~~

~~(3) must contain the school's cancellation and refund policy which shall be clearly and conspicuously entitled, "Buyer's Right to Cancel";~~

~~(4) the total cost of the course including tuition and all other charges shall be clearly stated;~~

~~(5) the name and description of the course, including the number of hours or credits of classroom instruction and/or home study lessons shall be included;~~

~~(6) no contract or agreement shall~~ (9) that contracts and agreements do not contain a wage assignment provision ~~and/or~~ or a confession of judgment clause; and

~~(7) each contract or enrollment agreement shall contain a clear and conspicuous explanation of the form and means of notice the student should use in the event the student elects to cancel the contract or sale, the effective date of cancellation, and the name and address of the seller to which the notice should be sent or delivered; and~~

~~(h)~~ (10) that there has been no adjudication of fraud or misrepresentation in any criminal, civil, or administrative proceeding in any jurisdiction against the school or its owner, officers, agents, or sponsoring organization.

Sec. 15. Minnesota Statutes 1998, section 141.25, subdivision 8, is amended to read:

Subd. 8. [FEES AND TERMS OF LICENSE.] ~~(a) Applications~~ An application for an initial license under sections 141.21 to ~~141.36~~ 141.35 shall be accompanied by a nonrefundable application fee established by the office that is sufficient to recover, but not exceed, its administrative costs.

~~(b)~~ All licenses shall expire one year from the date issued by the office, except as

provided in section 141.251. ~~Each renewal application shall be accompanied by a nonrefundable renewal fee established by the office that is sufficient to recover, but does not exceed, its administrative costs.~~

~~(c) Application for renewal of license shall be made at least 30 days before the expiration of the school's current license. Each renewal form shall be supplied by the office. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the office.~~

Sec. 16. Minnesota Statutes 1998, section 141.25, subdivision 9, is amended to read:

Subd. 9. [CATALOG ~~OR~~, BROCHURE, OR ELECTRONIC DISPLAY.] Before a license is issued to a school~~, other than one which offers exclusively a correspondence course of instruction~~, the school shall furnish to the office a catalog ~~or~~, brochure ~~containing the following~~, or electronic display including:

(1) identifying data, such as volume number and date of publication;

(2) name and address of the school and its governing body and officials;

(3) a calendar of the school showing legal holidays, beginning and ending dates of each course quarter, term, or semester, and other important dates;

(4) the school policy and regulations on enrollment including dates and specific entrance requirements for each ~~course~~ program;

(5) the school policy and regulations about leave, absences, class cuts, make-up work, tardiness, and interruptions for unsatisfactory attendance;

(6) the school policy and regulations about standards of progress for the student including the grading system of the school, the minimum grades considered satisfactory, conditions for interruption for unsatisfactory grades or progress, a description of any probationary period allowed by the school, and conditions of reentrance for those dismissed for unsatisfactory progress;

(7) the school policy and regulations about student conduct and conditions for dismissal for unsatisfactory conduct;

(8) a detailed schedule of fees, charges for tuition, books, supplies, tools, student activities, laboratory fees, service charges, rentals, deposits, and all other charges;

(9) the school policy and regulations, including an explanation of section 141.271, about

refunding tuition, fees, and other charges if the student does not enter the ~~course~~ program, withdraws from the program, or the program is discontinued;

(10) a description of the available facilities and equipment;

(11) a course outline for each course offered showing course objectives, subjects or units in the course, type of work or skill to be learned, and approximate time, hours, or credits to be spent on each subject or unit; ~~and~~

(12) ~~the school~~ policy and regulations about granting credit for previous education and ~~training~~ preparation;

(13) a procedure for investigating and resolving student complaints; and

(14) the name and address of the Minnesota higher education services office.

A school that is exclusively a distance education school is exempt from clauses (3) and (5).

Sec. 17. Minnesota Statutes 1998, section 141.25, subdivision 10, is amended to read:

Subd. 10. [PLACEMENT RECORDS.] (a) Before a license is issued to a school that offers, advertises or implies a placement service, the school shall file with the office for the past year and thereafter at reasonable intervals determined by the office, a certified copy of the school's placement record, containing a list of graduates, a description of their ~~job~~ jobs, ~~name~~ names of their ~~employer~~ employers, and other information as the office may prescribe.

(b) Each school that offers a placement service shall furnish to each prospective student, prior to enrollment, written information concerning the percentage of the previous year's graduates who were placed in the occupation for which ~~trained~~ prepared or in related employment.

Sec. 18. Minnesota Statutes 1998, section 141.25, subdivision 12, is amended to read:

Subd. 12. [PERMANENT RECORDS.] ~~Before a license is issued to a school, each~~ A school licensed under this chapter and located in Minnesota shall maintain a permanent ~~records~~ record for ~~all students enrolled at any time~~ each student for 50 years from the last date of the student's attendance. ~~Each~~ A school licensed under this chapter and offering ~~a correspondence course of instruction~~ distance instruction to a student located in Minnesota shall maintain a permanent ~~records~~ record for each Minnesota ~~students enrolled at any time~~ student for 50 years from the last date of the student's attendance. Records include school transcripts, documents, and

files containing student data about academic credits earned, courses completed, grades awarded, degrees awarded, and periods of attendance. To preserve permanent records, a school shall submit a plan that meets the following requirements:

~~(a)~~ (1) at least one copy of the records must be held in a secure depository;

~~(b)~~ (2) an appropriate official must be designated to provide a student with copies of records or a transcript upon request;

~~(c)~~ (3) an alternative method of complying with ~~paragraphs (a) and (b)~~ clauses (1) and (2) must be established if the school ceases to exist; and

~~(d)~~ (4) a continuous surety bond must be filed with the office in an amount not to exceed $20,000 if the school has no binding agreement for preserving student records or a trust must be arranged if the school ceases to exist.

Sec. 19. [141.251] [LICENSE RENEWAL.]

Subdivision 1. [APPLICATION.] Application for renewal of a license must be made at least 30 days before expiration of the license on a form provided by the office. A renewal application shall be accompanied by a nonrefundable fee established by the office that is sufficient to recover, but does not exceed, its administrative costs.

Subd. 2. [CONDITIONS.] The office shall adopt rules establishing the conditions for renewal of a license. The conditions shall permit two levels of renewal based on the record of the school. A school that has demonstrated the quality of its program and operation through longevity and performance in the state may renew its license based on a relaxed standard of scrutiny. A school that has been in operation in Minnesota for a limited period of time or that has not performed adequately on performance indicators shall renew its license based on a strict standard of scrutiny. The office shall specify minimum longevity standards and performance indicators that must be met before a school may be permitted to operate under the relaxed standard of scrutiny. The performance indicators used in this determination shall include, but not be limited to: degree granting status, national accreditation, loan default rates, placement rate of graduates, student withdrawal rates, audit results, student complaints, and school status with the United States Department of Education. Schools that meet the requirements established in rule shall be required to submit a full relicensure report once every four years, and in the interim

years will be exempt from the requirements of section 141.25, subdivision 3, clauses (4), (5), and (8), and Minnesota Rules, parts 4880.1700, subpart 6; and 4880.2100, subpart 4.

Sec. 20. Minnesota Statutes 1998, section 141.26, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR PERMIT.] (a) The application for the permit shall state the full name, address, previous employment, and such other information concerning the solicitor applicant as the office may require.

(b) The application shall have attached to it a certified affidavit signed by a school official and the solicitor attesting to the fact that the applicant has been furnished a copy, has read and has knowledge of the provisions of this chapter and Minnesota Rules, ~~parts 3530.6500 to 3530.7800~~.

Sec. 21. [141.265] [INFORMATION TO STUDENTS.]

Subdivision 1. [CATALOG, BROCHURE, OR ELECTRONIC DISPLAY.]

A school or its agent must provide the catalog, brochure, or electronic display required in section 141.25, subdivision 9, to a prospective student in a time or manner that gives the prospective student at least five days to read the catalog, brochure, or electronic display before signing a contract or enrollment agreement or before being accepted by a school that does not use a written contract or enrollment agreement.

Subd. 2. [CONTRACT INFORMATION.] A contract or enrollment agreement used by a school must include at least the following:

(1) the name and address of the school, clearly stated;

(2) a clear and conspicuous disclosure that the agreement is a legally binding instrument upon written acceptance of the student by the school unless canceled under section 141.271;

(3) the school's cancellation and refund policy that shall be clearly and conspicuously entitled "Buyer's Right to Cancel";

(4) a clear statement of total cost of the program including tuition and all other charges;

(5) the name and description of the program, including the number of hours or credits of classroom instruction, or distance instruction, that shall be included; and

(6) a clear and conspicuous explanation of the form and means of notice the student should use in the event the student elects to cancel the contract or sale, the effective date of

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cancellation, and the name and address of the seller to which the notice should be sent or delivered.

Subd. 3. [CONTRACT COPIES.] Immediately upon signing of the enrollment agreement or the contract by a prospective student, the school or agent shall furnish to the prospective student an exact duplicate copy of the enrollment agreement or contract.

Sec. 22. Minnesota Statutes 1998, section 141.271, subdivision 1, is amended to read:

Subdivision 1. ~~[NOTICE OF ACCEPTANCE OR REJECTION; RIGHT TO REFUND STUDENT.]~~ For the purposes of this section, "student" means the party to the contract, whether the party is the student, the student's parent or guardian, or other person on behalf of the student.

Subd. 1a. [NOTICE; RIGHT TO REFUND.] Every school shall notify each student, in writing, of acceptance or rejection. In the event that the student is rejected by the school, all tuition, fees and other charges shall be refunded.

Sec. 23. Minnesota Statutes 1998, section 141.271, subdivision 2, is amended to read:

Subd. 2. [SCHOOLS USING WRITTEN CONTRACTS.] (a) Notwithstanding anything to the contrary, ~~every~~ a school ~~which utilizes~~ that uses a written contract or enrollment agreement shall refund all tuition, fees and other charges paid by a student, if the student gives written notice of cancellation within five business days after the day on which the contract was executed regardless of whether the ~~course of instruction~~ program has started.

(b) ~~With respect to those schools utilizing a written contract or enrollment agreement,~~ When a student has been accepted by the school and has entered into a contractual agreement with the school and gives written notice of cancellation following the fifth business day after the date of execution of contract, but before the start of the ~~course of instruction~~ program in the case of resident schools, or before the first lesson has been serviced by the school in the case of ~~correspondence (home study)~~ distance education schools, all tuition, fees and other charges, except 15 percent of the total cost of the ~~course~~ program but not to exceed $50, shall be refunded to the student.

Sec. 24. Minnesota Statutes 1998, section 141.271, subdivision 3, is amended to read:

Subd. 3. [SCHOOLS NOT USING WRITTEN CONTRACTS.] (a)

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Notwithstanding anything to the contrary, ~~every~~ a school ~~which~~ that does not ~~utilize~~ use a written contract or enrollment agreement shall refund all tuition, fees and other charges paid by a student if the student gives written notice of cancellation within five business days after the day on which the student is accepted by the school regardless of whether the ~~course of instruction~~ program has started.

(b) ~~With respect to those schools not utilizing a written contract or enrollment agreement,~~ When a student has been accepted by the school and gives written notice of cancellation following the fifth business day after the day of acceptance by the school, but before the start of the ~~course of instruction~~ program, in the case of resident schools, or before the first lesson has been serviced by the school, in the case of ~~correspondence (home study)~~ distance education schools, all tuition, fees and other charges, except 15 percent of the total cost of the ~~course~~ program but not to exceed $50, shall be refunded to the student.

Sec. 25. Minnesota Statutes 1998, section 141.271, subdivision 4, is amended to read:

Subd. 4. [RESIDENT SCHOOLS.] ~~With respect to all schools offering a resident course of instruction,~~ When a student has been accepted by ~~the~~ a school offering a resident program and gives written notice of cancellation after the start of the period of instruction for which the student has been charged, but before completion of 75 percent of the period of instruction ~~for which the student has been charged~~, the amount charged for tuition, fees, and all other charges ~~for the completed portion of the period of instruction for which the student has been charged shall not exceed the pro rata~~ be prorated as a portion of the total charges for tuition, fees, and all other charges ~~that the length of the completed portion of the period of instruction for which the student has been charged bears to its total length, plus~~. An additional 25 percent of the total cost of the period of instruction ~~for which the student has been charged~~ may be added, but shall not ~~to~~ exceed $100. After completion of 75 percent of the period of instruction for which the student has been charged, no refunds are required.

Sec. 26. Minnesota Statutes 1998, section 141.271, subdivision 5, is amended to read:

Subd. 5. [~~CORRESPONDENCE HOME STUDY~~ DISTANCE EDUCATION SCHOOLS.] ~~With respect to all schools offering a correspondence (home study) course of instruction,~~ When a student has been accepted by ~~the~~ a distance education school and gives

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written notice of cancellation after the first lesson has been completed by the student and serviced by the school, but before completion of 75 percent of the ~~course of instruction~~ program, the amount charged for tuition, fees and all other charges for the completed lessons shall ~~not exceed the pro rata~~ be prorated as a portion of the total charges for tuition, fees and all other charges ~~that the number of lessons completed by the student bears to the total number of lessons offered, plus~~. An additional 25 percent of the total cost of the ~~course~~ program may be added but shall not ~~to~~ exceed $75. After completion of 75 percent of the ~~course of instruction~~ program, no refunds are required.

Sec. 27. Minnesota Statutes 1998, section 141.271, subdivision 6, is amended to read:

Subd. 6. [COMBINATION ~~CORRESPONDENCE-RESIDENT~~ DISTANCE EDUCATION-RESIDENT SCHOOLS.] ~~With respect to all schools offering a combination correspondence (home study)-resident course of instruction.~~ When a student has been accepted by ~~the~~ a school that offers a combination distance education-resident program and gives written notice of cancellation after the start of the ~~course of instruction~~ program or after the first lesson has been completed by the student and serviced by the school, whichever phase comes first, the school shall refund all tuition, fees and other charges as provided ~~for~~ in subdivision 4 if cancellation occurs during the resident portion, and as provided for in subdivision 5 if cancellation occurs during the ~~correspondence~~ distance instruction portion~~; provided that~~:. If the cancellation occurs before the student has commenced one of the phases, the price of that phase shall not be considered in making the proration and the student shall be entitled to a full refund of the ~~price thereof~~ charges. Conversely, if the student has completed a phase of the ~~course~~ program before cancellation, the ~~price thereof~~ charges may be retained by the school provided that the total tuition, fees and other charges for each phase have been stated separately in the school's catalog or electronic display and contract or enrollment agreement.

Sec. 28. Minnesota Statutes 1998, section 141.271, subdivision 12, is amended to read:

Subd. 12. [INSTRUMENT NOT TO BE NEGOTIATED.] ~~No~~ A school shall ~~not~~ negotiate any promissory instrument received as payment of tuition or other charge prior to completion of 50 percent of the ~~course of instruction~~ program. Prior to ~~such~~ that time, ~~such~~ instruments may be transferred by assignment to purchasers who shall be subject to all defenses

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available against the school named as payee.

Sec. 29. Minnesota Statutes 1998, section 141.28, subdivision 3, is amended to read:

Subd. 3. [FALSE STATEMENTS.] ~~No~~ A school, agent, or solicitor shall not make, or cause to be made, any statement or representation, oral, written or visual, in connection with the offering or publicizing of a ~~course~~ program, if ~~such~~ the school, agent, or solicitor knows or reasonably should have known the statement or representation to be false, fraudulent, deceptive, substantially inaccurate, or misleading.

Sec. 30. Minnesota Statutes 1998, section 141.28, subdivision 5, is amended to read:

Subd. 5. [IMPROBABLE ~~COURSE~~ PROGRAM COMPLETION OR EMPLOYMENT.] ~~No~~ A school, agent, or solicitor shall not enroll a prospective student when it is obvious that the prospective student is unlikely to successfully complete a ~~course of instruction~~ program or is unlikely to qualify for employment in the vocation or field for which the ~~training~~ preparation is designed unless this fact is affirmatively disclosed to the prospective student. If a prospective student expresses a desire to enroll after such disclosure, a disclaimer may be obtained by the school. ~~Such~~ The disclaimer shall be signed by the student and shall state substantially ~~as follows~~ one or both of the following: "I am fully aware that it is unlikely I will be able to successfully complete the ~~course of instruction~~ program" ~~and/or~~ and "I am fully aware of the improbability or impossibility that I will qualify for employment in the vocation or field for which the ~~course~~ program was designed."

Sec. 31. Minnesota Statutes 1998, section 141.29, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] The office may, after notice and upon providing an opportunity for a hearing, ~~pursuant to~~ under chapter 14 if requested by the parties adversely affected, refuse to issue, refuse to renew, revoke, or suspend ~~any~~ a license or solicitor's permit for any ~~one or any combination~~ of the following grounds:

~~(a)~~ (1) violation of any provisions of sections 141.21 to ~~141.36~~ 141.35 or any rule ~~promulgated~~ adopted by the office;

~~(b)~~ (2) furnishing to the office false, misleading, or incomplete information;

~~(c)~~ (3) presenting to prospective students information relating to the school ~~which~~ that is

false, fraudulent, deceptive, substantially inaccurate, or misleading;

~~(d)~~ (4) refusal to allow reasonable inspection or supply reasonable information after written request ~~therefor~~ by the office;

~~(e)~~ (5) the existence of any circumstance ~~which~~ that would be grounds for the refusal of an initial or renewal license under section 141.25.

Sec. 32. Minnesota Statutes 1998, section 141.31, is amended to read:

141.31 [INJUNCTION.]

Upon application of the attorney general the district courts shall have jurisdiction to enjoin any violation of sections 141.21 to ~~141.36~~ 141.35.

Sec. 33. Minnesota Statutes 1998, section 141.32, is amended to read:

141.32 [PENALTY.]

Violation of ~~any provisions~~ a provision of this chapter shall be a misdemeanor. Each day's failure to comply with this chapter shall be a separate violation. The office shall adopt rules establishing a list of civil penalties and the fine associated with each violation. Fines for violations shall not exceed $500 per day per violation.

Sec. 34. Minnesota Statutes 1998, section 141.35, is amended to read:

141.35 [EXEMPTIONS.]

~~None of the provisions of~~ Sections 141.21 to ~~141.36~~ 141.35 shall not apply to the following:

~~(a)~~ (1) ~~colleges authorized by the laws of Minnesota or of any other state or foreign country to grant degrees~~ public post-secondary institutions;

(2) private post-secondary institutions registered under sections 136A.61 to 136A.71 that are nonprofit, or that are for profit and registered under sections 136A.61 to 136A.71 as of December 31, 1998, or are approved to offer exclusively baccalaureate or postbaccalaureate programs;

~~(b)~~ (3) schools of nursing accredited by the state board of nursing or an equivalent public board of another state or foreign country;

~~(c) public schools as defined in section 120A.05, subdivisions 9, 11, 13, and 17;~~

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~~(d)~~ (4) private schools complying with the requirements of section 120A.22, subdivision ~~2~~ 4;

~~(e) private and parochial nonprofit schools exempt from taxation under the constitution of Minnesota;~~

~~(f)~~ (5) courses taught to students in a valid apprenticeship program taught by or required by a trade union;

~~(g)~~ (6) schools exclusively engaged in training physically or mentally handicapped persons for the state of Minnesota;

~~(h)~~ (7) schools ~~now or hereafter~~ licensed by boards authorized under Minnesota law to issue ~~such~~ licenses;

~~(i)~~ (8) schools and educational programs, or training programs, ~~conducted~~ contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee;

~~(j)~~ (9) schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects as determined by the office. ~~Private schools teaching a method or procedure to increase the speed with which a student reads are not within this exemption~~;

~~(k)~~ (10) driver training schools and instructors as defined in section 171.33, subdivisions 1 and 2;

~~(l)~~ (11) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;

~~(m) courses of instruction~~ (12) programs in the fine arts provided by organizations exempt from taxation ~~pursuant to~~ under section 290.05 and registered with the attorney general ~~pursuant to~~ under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota board of the arts;

~~(n)~~ (13) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, ~~which classes, courses, or programs~~ that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and ~~which~~ that are offered primarily to ~~a person who~~

~~currently practices~~ an individual practicing the profession;

~~(o)~~ (14) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

~~(p)~~ (15) classes, courses, or programs ~~of a seminar nature~~ providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or ~~are not intended to prepare a person for~~ entry level employment;

~~(q)~~ (16) classes, courses, or programs ~~of a seminar nature~~ providing instruction in personal development, modeling, or acting; ~~and~~

~~(r)~~ (17) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment; and

(18) schools with no physical presence in Minnesota engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions.

Sec. 35. [REPORT REQUIRED.]

(a) The higher education services office shall conduct a study of the licensure and regulation of private, for-profit education and training providers in Minnesota and make recommendations to the legislature regarding:

(1) the appropriate level of regulation of providers of accelerated custom-designed training courses or programs; and

(2) changes in statutes or rules necessary to reflect the increased availability of courses and programs offered through electronic means and the use of the Internet to communicate information regarding courses and programs.

(b) The recommendations submitted shall:

(1) identify and define terminology associated with accelerated custom-designed training opportunities;

(2) delineate the minimum standards providers must meet;

(3) delineate the procedures providers must follow to validate that they have met the standards established; and

(4) specify the providers' contractual and financial obligations to individuals participating

in the training provided by the providers.

(c) In developing its recommendations, the office shall consult with the Minnesota High Technology Association and providers that may be affected by changes in the statutes or rules. A report of the findings and recommendations shall be submitted to the chairs of the senate higher education budget division and the house higher education finance committee by January 15, 2000.

Sec. 36. [REPEALER.]

Minnesota Statutes 1998, sections 141.22; 141.25, subdivisions 9a, 9b, and 11; and 141.36, are repealed.

BONDING OMNIBUS BILL
H.F. 2205 (Chapter 240)

Section	ARTICLE 1	Language Page
2	**Minnesota State Colleges And Universities** Subdivision 1. Moorhead State University. To demolish vacant houses and construct parking facilities. ($3,730,000) **VETOED** Subd. 3. Winona State University. To replace or renovate boiler system. ($6,100,000) **VETOED** Subd. 4. Ridgewater College HVAC System. To make improvements in existing HVAC system at Hutchinson campus. ($1,250,000) **VETOED**	57
17	**Storage and Retention of Documents**. Amends M.S. 136F.36 by adding a subdivision allowing MnSCU to store, at the campus sites, legal records and documents relating to the carpentry programs.	57
18	**Easements**. Amends M.S. 136F.60 by adding a subdivision to allow the Board of Trustees to grant certain easements.	57
19	**Pine Technical College**. Expands existing authority at Pine Technical College to construct an addition for Advanced Technology Center project.	58

Section	ARTICLE 2	Language Page
	This Article returns to the Unreserved General Fund, $400,000,000 of 1998 cash funding by changing the funding source to the Bond Proceeds Fund. Among the projects included at Section 4, are the following MnSCU items:	
4	**Minnesota State Colleges and Universities** Subdivision 2. Minnesota State University-Mankato. ($10,500,000); Subd. 3. Rochester Regional Recreation and Sports Center. ($4,800,000).	58
18	**Debt Services Responsibilities**. This section assures that the debt service responsibilities for the 1998 cash/1999 bonding for the University of Minnesota and MnSCU projects will not change.	58

Section	MANKATO TAYLOR CENTER H.F. 492 (Chapter 34)	Language Page
1	**Authorization**. This act authorizes Minnesota State University, Mankato to proceed with construction of the Taylor Center multipurpose facility. Prior to the beginning of construction, the MnSCU Board of Trustees must approve the design and the foundation must agree to donate the building to the State.	58

BONDING OMNIBUS BILL
Chapter 240 (H.F. 2205)

ARTICLE 1

	APPROPRIATIONS
Sec. 2. MINNESOTA STATE COLLEGES AND UNIVERSITIES	
Subdivision 1. To the board of trustees of the Minnesota state colleges and universities for the purposes specified in this section	11,080,000
Moorhead State University This appropriation is to demolish structures, eliminate blight, and construct parking facilities andnecessary amenities on certain recently acquired land at Moorhead state university.	3,730,000
Subd. 3. Winona State University To replace or renovate the boiler system at Winona State University.	6,100,000
Subd. 4. Ridgewater College HVAC System For improvements of a capital nature to the heating, ventilation, and air conditioning system at Ridgewater Community and Technical College, Hutchinson.	1,250,000

Sec. 17. Minnesota Statutes 1998, section 136F.36, is amended by adding a subdivision to read:

Subd. 4. [STORAGE AND RETENTION OF DOCUMENTS.] Notwithstanding section 16A.58, the board may store and retain at the respective technical college original documents from carpentry program transactions, including but not limited to deeds, abstracts of title, and certificates of title.

Sec. 18. Minnesota Statutes 1998, section 136F.60, is amended by adding a subdivision to read:

Subd. 3. [EASEMENTS.] The board may grant permanent or temporary easements over, under, or across any land under its jurisdiction for reasonable purposes determined by the board.

Sec. 19. Laws 1998, chapter 404, section 3, subdivision 17, is amended to read:

Subd. 17. Pine Technical College 1,700,000

To predesign, design, ~~and~~ renovate, and construct an addition for a telecommunications/media/technology center, student services, administrative services, classrooms, and a regional economic development center. This project may be a part of a larger advanced technology center project at the college if federal funds are available for the larger project. The board must not proceed with the larger advanced technology centerproject without the approval of the chairs of the house committee on waysand means and the senate committee on education finance.

ARTICLE 2

Sec. 4. MINNESOTA STATE COLLEGES AND UNIVERSITIES

Subdivision 1. To the board of trustees of the Minnesota state colleges and universities for the purposes specified in this section 15,300,000

Subd. 2. Minnesota State University - Mankato 10,500,000

Subd. 3. Rochester Regional Recreation and Sports Center 4,800,000

Sec. 18. [DEBT SERVICES RESPONSIBILITIES.]

This article does not change the debt service responsibilities of the University of Minnesota under Laws 1998, chapter 404, section 2, subdivision 11, or of the board of trustees of the Minnesota state colleges and universities under Laws 1998, chapter 404, section 3, subdivision 29.

MINNESOTA STATE UNIVERSITY, MANKATO CONSTRUCTION AUTHORIZATION (TAYLOR CENTER) - H.F. 492 (Chapter 34)

Section 1. [AUTHORIZATION.]

The Minnesota State University, Mankato foundation may build the Taylor center multipurpose facility for athletics and related academic programs on the Minnesota State University, Mankato campus at a site approved by the board of trustees of the Minnesota state

colleges and universities. Prior to the beginning of construction, the board must approve the design and the foundation must agree to donate the building to the state. Title to the building shall pass to the state immediately upon donation.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

STATE EMPLOYEE COMPENSATION BILL ("PAY BILL")
S.F. 1721 (Chapter 221)

Section		Language Page
1	**Contract Ratifications**. This section ratifies several of the MnSCU labor agreements: Subd. 1. Ratifies the MSUAASF (Minnesota State University Association of Administrative and Service Faculty) agreement. Subd. 2. Ratifies the UTCE (United Technical College Educators) agreement. Subd. 4. Ratifies the IFO (Inter-Faculty Organization) agreement. Subd. 6. Ratifies the compensation plan for MnSCU administrators. Subd. 8. Ratifies the salary proposal of the MnSCU Board of Trustees for the Chancellor.	63
2	**Transfer of Leave**. This section extends the transfer of vacation and sick leave to unclassified executive and legislative employment. Currently this provision only applies to employees who move between classified executive branch service and Legislative service.	64
5	**PELRA Clarification**. This section provides for a change in PELRA to accommodate the change from quarters to semesters within MnSCU.	65

STATE EMPLOYEE COMPENSATION BILL ("PAY BILL")
Chapter 221 (S.F. 1721)

Section 1. [RATIFICATIONS.]

Subdivision 1. [STATE UNIVERSITY ADMINISTRATIVE AND SERVICE FACULTY.] The labor agreement between the state of Minnesota and the Minnesota state university association of administrative and service faculty, approved by the legislative coordinating commission subcommittee on employee relations on June 24, 1998, is ratified.

Subd. 2. [TECHNICAL COLLEGE FACULTY.] The labor agreement between the state of Minnesota and the united technical college educators, as recommended by the legislative coordinating commission subcommittee on employee relations on June 24, 1998, is ratified.

Subd. 3. [UNREPRESENTED EMPLOYEES; HIGHER EDUCATION SERVICES OFFICE.] The plan for unrepresented, unclassified employees of the higher education services office, as approved by the legislative coordinating commission subcommittee on employee relations on June 24, 1998, is ratified.

Subd. 4. [STATE UNIVERSITY FACULTY.] The labor agreement between the state of Minnesota and the interfaculty organization, as approved by the legislative coordinating commission subcommittee on employee relations on November 24, 1998, is ratified.

Subd. 5. [NURSES.] The arbitration award and labor agreement between the state of Minnesota and the Minnesota nurses association, as recommended by the legislative coordinating commission subcommittee on employee relations on November 24, 1998, is ratified.

Subd. 6. [UNREPRESENTED MANAGERS; MINNESOTA STATE COLLEGES AND UNIVERSITIES.] The compensation plan for administrators of the Minnesota state colleges and universities, as modified and approved by the legislative coordinating commission subcommittee on employee relations on November 24, 1998, is ratified.

Subd. 7. [SALARIES FOR CERTAIN HEADS OF STATE AGENCIES.] The proposals to increase the salaries of certain heads of state agencies, as modified and approved by the legislative coordinating commission subcommittee on employee relations on November 24, 1998, are ratified.

Subd. 8. [CHANCELLOR; MINNESOTA STATE COLLEGES AND UNIVERSITIES.] The salary proposal of the board of trustees of the Minnesota state colleges and universities for the chancellor, approved by the legislative coordinating commission subcommittee on employee

relations on November 24, 1998, is ratified.

Subd. 9. [CORRECTIONS OMBUDSMAN.] The salary of the corrections ombudsman shall be $67,500 effective July 1, 1999.

Sec. 2. Minnesota Statutes 1998, section 3.096, is amended to read:

3.096 [TRANSFER OF LEAVE.]

An employee in the classified or unclassified service who accepts a position as a permanent employee of the legislature shall have accrued vacation ~~or~~ and sick leave transferred and placed to the employee's credit on the legislative records. A permanent employee of the legislature who accepts a position in the classified or unclassified service shall have accrued vacation ~~or~~ and sick leave transferred and placed to the employee's credit on the records of the new appointing authority. Vacation and sick leave are not transferred if the new position does not provide for the leave. The amount of vacation and sick leave that may be transferred is subject to any limitations imposed by the receiving agency's collective bargaining agreement or compensation plan.

Sec. 3. Minnesota Statutes 1998, section 43A.17, subdivision 4, is amended to read:

Subd. 4. [~~SPECIALISTS~~ EXCEPTIONS.] (a) The commissioner may without regard to subdivision 1 establish special salary rates and plans of compensation designed to attract and retain exceptionally qualified doctors of medicine. These rates and plans shall be included in the commissioner's plan. In establishing salary rates and eligibility for nomination for payment at special rates, the commissioner shall consider the standards of eligibility established by national medical specialty boards where appropriate. The incumbents assigned to these special ranges shall be excluded from the collective bargaining process. (b) The commissioner may without regard to subdivision 1, but subject to collective bargaining agreements or compensation plans, establish special salary rates designed to attract and retain exceptionally qualified ~~information systems staff~~ employees in the following positions:

(1) information systems staff;

(2) actuaries in the departments of health, human services, and commerce; and

(3) epidemiologists in the department of health.

Sec. 4. Minnesota Statutes 1998, section 179.02, subdivision 2, is amended to read:

Subd. 2. [SPECIAL MEDIATORS.] The commissioner may, from time to time, appoint special mediators to aid in the settlement of particular labor disputes or controversies who shall have the same power and authority as the commissioner with respect to such dispute and such appointment shall be for the duration only of the particular dispute. Such special mediators shall be paid a per diem allowance ~~not to exceed that established for arbitrators in section 179A.16, subdivision 8~~ as determined by the commissioner, while so engaged and their necessary expenses.

Sec. 5. Minnesota Statutes 1998, section 179A.03, subdivision 14, is amended to read:

Subd. 14. [PUBLIC EMPLOYEE.] "Public employee" or "employee" means any person appointed or employed by a public employer except:

(a) elected public officials;

(b) election officers;

(c) commissioned or enlisted personnel of the Minnesota national guard;

(d) emergency employees who are employed for emergency work caused by natural disaster;

(e) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;

(f) employees whose positions are basically temporary or seasonal in character and: (1) are not for more than 67 working days in any calendar year; or (2) are not for more than 100 working days in any calendar year and the employees are under the age of 22, are full-time students enrolled in a nonprofit or public educational institution prior to being hired by the employer, and have indicated, either in an application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment;

(g) employees providing services for not more than two consecutive quarters to the board of trustees of the Minnesota state colleges and universities under the terms of a professional or technical services contract as defined in section 16C.08, subdivision 1;

(h) employees of charitable hospitals as defined by section 179.35, subdivision 3;

(i) full-time undergraduate students employed by the school which they attend under a

work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;

(j) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;

(k) an individual hired by ~~a school district or~~ the board of trustees of the Minnesota state colleges and universities to teach one course for ~~up to four~~ three or fewer credits for one ~~quarter~~ semester in a year.

The following individuals are public employees regardless of the exclusions of clauses (e) and (f):

(1) An employee hired by a school district or the board of trustees of the Minnesota state colleges and universities except at the university established in section 136F.13 or for community services or community education instruction offered on a noncredit basis: (i) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; or (ii) to take a teaching position created due to increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons; and

(2) An employee hired for a position under clause (f)(1) if that same position has already been filled under clause (f)(1) in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position.

Sec. 6. Minnesota Statutes 1998, section 179A.04, subdivision 3, is amended to read:

Subd. 3. [OTHER DUTIES.] (a) The commissioner shall:

(1) provide mediation services as requested by the parties until the parties reach agreement, and may continue to assist parties after they have submitted their final positions for interest arbitration;

(2) issue notices, subpoenas, and orders required by law to carry out duties under sections 179A.01 to 179A.25;

(3) assist the parties in formulating petitions, notices, and other papers required to be filed

with the commissioner;

(4) conduct elections;

(5) certify the final results of any election or other voting procedure conducted under sections 179A.01 to 179A.25;

(6) adopt rules relating to the administration of this chapter and the conduct of hearings and elections;

(7) receive, catalogue, file, and make available to the public all decisions of arbitrators and panels authorized by sections 179A.01 to 179A.25, all grievance arbitration decisions, and the commissioner's orders and decisions;

(8) adopt, subject to chapter 14, a grievance procedure that fulfills the purposes of section 179A.20, subdivision 4, does not provide for the services of the bureau of mediation services and is available to any employee in a unit not covered by a contractual grievance procedure;

(9) maintain a schedule of state employee classifications or positions assigned to each unit established in section 179A.10, subdivision 2;

(10) collect fees established by rule for empanelment of persons on the labor arbitrator roster maintained by the commissioner or in conjunction with fair share fee challenges;

(11) provide technical support and assistance to voluntary joint labor-management committees established for the purpose of improving relationships between exclusive representatives and employers, at the discretion of the commissioner;

(12) provide to the parties a list of arbitrators as required by section 179A.16, subdivision 4; and

(13) maintain a list of up to 60 arbitrators for referral to employers and exclusive representatives for the resolution of grievance or interest disputes. Each person on the list must be knowledgeable about collective bargaining and labor relations in the public sector, well versed in state and federal labor law, and experienced in and knowledgeable about labor arbitration. To the extent practicable, the commissioner shall appoint members to the list so that the list is gender and racially diverse.

(b) From the names provided by representative organizations, the commissioner shall maintain a list of arbitrators to conduct teacher discharge or termination hearings according to section 122A.40 or 122A.41. The persons on the list must meet at least one of the following requirements:

(1) be a former or retired judge;

(2) be a qualified arbitrator on the list maintained by the bureau;

(3) be a present, former, or retired administrative law judge; or

(4) be a neutral individual who is learned in the law and admitted to practice in Minnesota, who is qualified by experience to conduct these hearings, and who is without bias to either party.

Each year, ~~the~~ education Minnesota ~~education association~~ shall provide a list of ~~seven~~ up to 14 names, ~~the Minnesota federation of teachers a list of seven names,~~ and the Minnesota school boards association a list of up to 14 names of persons to be on the list. The commissioner may adopt rules about maintaining and updating the list.

Sec. 7. Minnesota Statutes 1998, section 179A.10, subdivision 1, is amended to read:

Subdivision 1. [EXCLUSIONS.] The commissioner of employee relations shall meet and negotiate with the exclusive representative of each of the units specified in this section, except as provided in section 43A.06, subdivision 1, paragraph (c). The units provided in this section are the only appropriate units for executive branch state employees. The following employees shall be excluded from any appropriate unit:

(1) the positions and classes of positions in the classified and unclassified services defined as managerial by the commissioner of employee relations in accordance with section 43A.18, subdivision 3, and so designated in the official state compensation schedules;

(2) unclassified positions in the Minnesota state colleges and universities defined as managerial by ~~their respective boards~~ the board of trustees;

(3) positions of physician employees compensated under section 43A.17, subdivision 4;

(4) positions of all unclassified employees appointed by a constitutional officer;

(5) positions in the bureau;

(6) positions of employees whose classification is pilot or chief pilot;

(7) administrative law judge and compensation judge positions in the office of administrative hearings; and

(8) positions of all confidential employees.

The governor may upon the unanimous written request of exclusive representatives of units and the commissioner direct that negotiations be conducted for one or more units in a

common proceeding or that supplemental negotiations be conducted for portions of a unit or units defined on the basis of appointing authority or geography.

Sec. 8. Minnesota Statutes 1998, section 179A.16, subdivision 2, is amended to read:

Subd. 2. [ESSENTIAL EMPLOYEES.] An exclusive representative or employer of a unit of essential employees may petition for binding interest arbitration by filing a written request with the other party and the commissioner. The written request must specify the items which that party wishes to submit to binding arbitration. Within 15 days of the request, the commissioner shall determine whether further mediation of the dispute would be appropriate and shall only certify matters to ~~the board~~ for arbitration in cases where the commissioner believes that both parties have made substantial, good-faith bargaining efforts and that an impasse has occurred.

Sec. 9. [REPEALER.]

Minnesota Statutes 1998, section 43A.17, subdivision 12, is repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1, 3, and 9 are effective the day following final enactment.

STATE GOVERNMENT FINANCE BILL
H.F. 878 (Chapter 250)

Section	ARTICLE 1 APPROPRIATIONS	Language Page
2	Subd. 4. **Legislative Coordinating Commission**. This subdivision requires the Pension Commission to study comparability of public sector and private sector pensions.	75
11	**Office of Strategic and Long-Range Planning**. Requires a report by December 1, 2000, on ways to reduce state government expenditures By five to ten percent.	76
12	Subd. 3. **Department of Administration**. Office of Technology. Requires a report by January 15, 2000, on a long-range plan identifying the mission and goals of the Office of Technology.	77
15	**Department of Employee Relations**. Employee Insurance. Subd. 2 specifies appropriations for implementation of a long-term care insurance program and for self-insurance of the state employee group insurance program.	79
34	**Statewide Systems Account**. Establishes the statewide systems account in the general fund and permits the Commissioner of Finance to bill users of the system, including MnSCU, for services, up to specified dollar limits.	80
41	**Data practices**. Amending M.S. 13.03, subd. 2 to require government entities to prepare written public access procedures and to update them each August 1 as necessary. It also requires free distribution of the procedures or posting them on the government premises.	80
42	**Data Practices**. Amending M.S. 13.05, by adding subdivision 11 providing government entities to include terms in contracts requiring private contractors to abide by same statutory provisions relating to data practices as is required of the contracting agency or entity. It also provides that the contractor does not have to give the public access to public data that are available from the government, unless the contract so provides.	81
43	**Data Practices**. Requires the Commissioner of Administration to consult government entities and prepare model policies on public access and the rights of subjects of data.	81
49	**Legislative Approval of Fees**. Provides at M.S. 16A.1283 that executive branch agencies may not impose new or increased fees unless the fee is approved by law. Note: MnSCU is specifically excluded from this Department of Finance provision.	82

52	**Master Lease**. This section strikes provisions stating that master lease may be used only for purchases from internal service funds. Other limitations are stricken as well.	82
56	**Capital Projects**. Amending M.S. 16B.31, this section provides that for capital projects involving any agency, plans may not be adopted, nor improvements made, unless a sufficient appropriation for the project is available.	83
61	**State Information Infrastructure**. New law at M.S. 16B.465 provides how the State will seek to meet its telecommunications needs in a manner that will help to promote investment and growth of the private sector information infrastructure. It provides that MnSCU may opt out of participation on the MNET in whole or in part, and permits the Commissioner of Administration to approve community-based aggregation of demand for telecommunications services for state agencies including MnSCU.	83
62	**Bleacher Safety**. Specifies at M.S. 16B.616 bleacher safety standards for bleachers over 30 inches above grade in places of public accommodation. MnSCU facilities would be included in the definition. New bleachers Manufactured, installed, sold, or distributed after January 1,2001, must Comply with the State Building Code and this section. Note: the text of the first State Government Finance bill passed had additional language requiring that bleachers in existence on January 1, 2001, must comply with the structural provisions of the 1998 State Building Code. That language was removed in the final bill.	87
65	**Cost-benefit Analysis**. M.S. 16C.065 is new language requiring state agencies to do a cost-benefit analysis for contracts of over $5 million involving goods or services that are expected to have a useful life of morethat three years. Note: Minnesota Statutes Chapters 16B and 16C do not apply to MnSCU unless specifically included.	88
68	**Office of Technology**. The Office of Technology is moved under the supervision of the Department of Administration rather that being an independent office.	89
71	**Consultant Contract Reporting**. M.S. 43A.047 requires the Commissioner of Administration to compile information and report on professional and technical service contracts. MnSCU is included in this section which previously required reporting to the Senate Finance and House Ways and Means Committees on these contracts. The Commissioner will now issue the report to the Legislature.	89
72-74	**Self-Insurance**. These three sections provide guidance for the Commissioner of Employer Relations if the State decides to self-Insure its hospital and medical plans.	90

78	**Long-term Care Insurance**. After April 1, 2000 the Commissioner of Employee Relations is authorized to administer a long-term care Insurance program for public employees and other specified eligible Persons. It creates an advisory committee and a long-term care Insurance trust fund.	91
106	**Voluntary Leaves**. Permits state agency appointing authorities to allow employees to take voluntary leaves of up to 160 hours during the biennium ending June 30, 2001. It provides for continued vacation and sick leave accrual and credit in retirement plans during the period of the leave.	94
109	**State Travel Office**. Requires the Commissioner of Administration to study the feasibility and potential advantages of establishing a State travel office to manage arrangement for travel by state employees. A report is due January 15, 2000.	95
112	**Employee Assistance Transfer**. The Employee Assistance Program is transferred from the Department of Administration to the Department of Employee Relations.	96
113	**Office of Technology Transfer**. The Office of Technology is transferred to the Department of Administration.	96
Section	**ARTICLE 2 - Year 2000**	**Language Page**
3	**Year 2000 Activities; Immunity.** MnSCU is included as a State agency for purposes of Year 2000 immunity This immunity prohibits an action against a State agency for harm from collection or publication of year 2000 solution information. Details of State agency activities are provided in this Article.	96

STATE GOVERNMENT FINANCE BILL
Chapter 250 (H.F. 878)

ARTICLE 1 - APPROPRIATIONS

		APPROPRIATIONS Available for the Year Ending June 30	
Sec. 2. LEGISLATURE		2000	2001
Subd. 4. Legislative Coordinating Commission		13,841,000	14,924,000
Summary by Fund			
General	13,652,000	14,735,000	
Health Care Access	150,000	150,000	
Trunk Highway	39,000	39,000	

$5,600,000 the first year and $6,372,000 the second year are for the office of the revisor of statutes.

$1,184,000 the first year and $1,217,000 the second year are for the legislative reference library.

$4,963,000 the first year and $5,096,000 the second year are for the office of the legislative auditor.

The legislative commission on pensions and retirement shall study and report to the legislature by January 15, 2000, on the comparability of pension and other postretirement benefits between public sector and private sector employees. When comparing the benefits, the commission shall select comparable job classifications and salary ranges. The study must compare pension portability, initial monthly benefits, average annual benefit increases, employer and employee contribution rates, availability of early retirement incentives, administrative costs, and other factors as necessary to compare benefits.

Sec. 11. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING	6,891,000	4,417,000

$100,000 the first year is to integrate the office's information technology and is available until June 30, 2003. The director shall report on the progress of the unit to the chairs of the legislative committees responsible for this budget item by January 15, 2000, 2001, and 2002.

$1,600,000 the first year is for a generic environmental impact statement on animal agriculture.

$200,000 the first year is to perform program evaluations of agencies in the executive branch.

The program evaluation division will report to the legislature by December 1, 2000, ways to reduce state government expenditures by five to ten percent.

$100,000 the first year is to provide administrative support to community-based planning efforts.

$150,000 the first year is for a grant of $50,000 to the southwest regional development commission for the continuation of the pilot program and two additional grants of $50,000 each to regional development commissions or, in regions not served by regional development commissions, to regional organizations selected by the director of strategic and long-range planning, to support planning work on behalf of local units of government. The planning work shall include, but need not be limited to:

(1) development of local zoning ordinances;

(2) land use plans;

(3) community or economic development plans;

(4) transportation and transit plans;

(5) solid waste management plans;

(6) wastewater management plans;

(7) workforce development plans;

(8) housing development plans and/or market analysis;

(9) rural health service plans;

(10) natural resources management plans; or

(11) development of geographical information systems database to serve a region's needs, including hardware and software purchases and related labor costs.

$200,000 the first year is to prepare the generic environmental impact statement on urban development required by section 108. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

$24,000 the first year is for the southwest Minnesota wind monitoring project.

Sec. 12. ADMINISTRATION	50,288,000	36,692,000
Subdivision 3. Office of Technology		
5,499,000 2,707,000		

The commissioner of administration shall develop and submit to the chairs of the senate governmental operations budget division and the house state government finance committee by January 15, 2000, a long-range plan identifying the mission and goals of the office of technology. The appropriation for the second year is not available until the plan has been approved by a law enacted at the 2000 regular session.

Summary by Fund

General	5,071,000	2,707,000
State Government Special Revenue	168,000	-0-
Workers' Compensation	260,000	-0-

The amounts that may be spent from this appropriation for each purpose are as follows:

VETOED

(a) Administrative Services

2,871,000 2,707,000

$468,000 the first year and $468,000 the second year are for ongoing costs of the North Star II project under Minnesota Statutes, section 16E.07.

$220,000 the first year is to continue the intergovernmental information systems advisory council for one more year.

(b) One-Stop Business Licensing

$500,000 the first year is a one-time appropriation for the one-stop business licensing system project under Minnesota Statutes, section 16E.08. The commissioner shall report on the progress of this project to the chairs of the legislative committees responsible for this budget item by January 15, 2000, and 2001. Before the system is put into operation, the security information technology project of the commissioner of administration shall perform a security audit of the system and submit a report on the audit to the chairs of the governmental operations budget division of the senate and the state government finance committee of the house of representatives.

(c) Small Agency Infrastructure

Summary by Fund

General	1,700,000	-0-
State Government Special Revenue	168,000	-0-
Workers' Compensation	260,000	-0-

This appropriation is for a one-time transfer to eligible small agencies for the small agency infrastructure project. The commissioner of administration shall determine priorities for which projects should be funded, except that $323,000 is for the public utilities commission. An agency whose strategic plan for information technology was not approved before April 1, 1999, may not receive money from this appropriation.

This appropriation is available until June 30, 2003. The commissioner shall report on the progress of this project to the chairs of the legislative committees responsible for this budget item by January 15, 2000, 2001, and 2002.

Sec. 15. EMPLOYEE RELATIONS

Subdivision 1. Total Appropriation	10,530,000	10,398,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Employee Insurance

2,755,000	2,446,000

$310,000 the first year is to prepare to implement an optional, participant-paid, long-term care insurance program to be available to state employees and their spouses and parents, as provided in new Minnesota Statutes, section 43A.318.

$2,375,000 the first year and $2,376,000 the second year are for transfer to the state employees insurance fund to self-insure all medical coverage provided through the state employees group insurance program, including the University of Minnesota.

During the biennium ending June 30, 2001, the amount necessary to pay premiums for coverage by the workers' compensation reinsurance association under Minnesota Statutes, section 79.34, is appropriated from the general fund to the commissioner.

Subd. 3. Human Resources Management

7,775,000	7,952,000

$123,000 the first year and $115,000 the second year are for a grant to the government training service, of which $48,000 the first year and $40,000 the second year are a one-time appropriation for information technology and $25,000 the first year and $25,000 the second year are a one-time appropriation to conduct conferences.

Subd. 4. Technology Budget Book
The department shall prepare a separate budget book for the biennium beginning July 1, 2001, containing all of the administration's technology initiatives. The book must also include a complete inventory of state-owned and leased technology, along with a projected replacement schedule. The inventory must include information on how the technology fits into the state's master plan.

Sec. 34. [STATEWIDE SYSTEMS ACCOUNT.]

Subdivision 1. [CONTINUATION.] The statewide systems account is a separate account in the general fund. All money resulting from billings for statewide systems services must be deposited in the account. For the purposes of this section, statewide systems includes the state accounting system, payroll system, human resources system, procurement system, and related information access systems.

Subd. 2. [BILLING PROCEDURES.] The commissioner of finance may bill up to $7,520,000 in fiscal year 2000 and $7,520,000 in fiscal year 2001 for statewide systems services provided to state agencies, judicial branch agencies, the University of Minnesota, the Minnesota state colleges and universities, and other entities. Billing must be based only on usage of services relating to statewide systems provided by the intertechnologies division. Each agency shall transfer from agency operating appropriations to the statewide systems account the amount billed by the commissioner. Billing policies and procedures related to statewide systems services must be developed by the commissioner of finance in consultation with the commissioners of employee relations and administration, the University of Minnesota, and the Minnesota state colleges and universities.

Subd. 3. [APPROPRIATION.] Money transferred into the account is appropriated to the commissioner of finance to pay for statewide systems services during fiscal years 2000 and 2001.

Sec. 41. Minnesota Statutes 1998, section 13.03, subdivision 2, is amended to read:

Subd. 2. [PROCEDURES.] (a) The responsible authority in every state agency, political subdivision, and statewide system shall establish procedures, consistent with this chapter, to insure that requests for government data are received and complied with in an appropriate and

prompt manner.

(b) The responsible authority shall prepare public access procedures in written form and update them no later than August 1 of each year as necessary to reflect any changes in personnel or circumstances that might affect public access to government data. The responsible authority shall make copies of the written public access procedures easily available to the public by distributing free copies of the procedures to the public or by posting a copy of the procedures in a conspicuous place within the government entity that is easily accessible to the public.

(c) Full convenience and comprehensive accessibility shall be allowed to researchers including historians, genealogists and other scholars to carry out extensive research and complete copying of all records containing government data except as otherwise expressly provided by law.

A responsible authority may designate one or more designees.

Sec. 42. Minnesota Statutes 1998, section 13.05, is amended by adding a subdivision to read:

Subd. 11. [PRIVATIZATION.] (a) If a government entity enters into a contract with a private person to perform any of its functions, the government entity shall include in the contract terms that make it clear that all of the data created, collected, received, stored, used, maintained, or disseminated by the private person in performing those functions is subject to the requirements of this chapter and that the private person must comply with those requirements as if it were a government entity. The remedies in section 13.08 apply to the private person under this subdivision.

(b) This subdivision does not create a duty on the part of the private person to provide access to public data to the public if the public data are available from the government entity, except as required by the terms of the contract.

Sec. 43. Minnesota Statutes 1998, section 13.073, is amended by adding a subdivision to read:

Subd. 6. [PREPARATION OF MODEL POLICIES AND PROCEDURES.] The commissioner shall, in consultation with affected government entities, prepare model policies and procedures to assist government entities in complying with the requirements of this chapter that relate to public access to government data and rights of subjects of data. Upon completion of a model for a governmental level, the commissioner shall offer that model for formal adoption

by that level of government.Government entities may adopt or reject the model offered by the commissioner. A government entity that adopts the commissioner's model shall notify the commissioner in a form prescribed by the commissioner.

Sec. 49. [16A.1283] [LEGISLATIVE APPROVAL REQUIRED.]

(a) Notwithstanding any law to the contrary, an executive branch state agency may not impose a new fee or increase an existing fee unless the new fee or increase is approved by law. For purposes of this section, a fee is any charge for goods, services, regulation, or licensure, and, notwithstanding paragraph (b), clause (3), includes charges for admission to or for use of public facilities owned by the state.

(b) This section does not apply to:

(1) charges billed within or between state agencies, or billed to federal agencies;

(2) the Minnesota state colleges and universities system; or

(3) charges for goods and services provided for the direct and primary use of a private individual, business, or other entity.

(c) An executive branch agency may reduce a fee that was set by rule before the effective date of this section without legislative approval. Chapter 14 does not apply to fee reductions under this paragraph.

Sec. 52. Minnesota Statutes 1998, section 16A.85, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] The commissioner of administration may determine, in conjunction with the commissioner of finance, the personal property needs of the various state departments, agencies, boards, commissions and the legislature ~~of the kinds of property identified in this subdivision~~ that may be economically funded through a master lease program and request the commissioner of finance to execute a master lease. ~~The master lease may be used only to finance the following kinds of purchases:~~

~~(a) The master lease may be used to finance purchases by the commissioner of administration with money from an internal services fund.~~

~~(b) The master lease may be used to refinance a purchase of equipment already purchased under a lease-purchase agreement.~~

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~~(c) The master lease may be used to finance purchases of large equipment with a capital value of more than $100,000 and a useful life of more than ten years.~~

~~(d) The legislature may specifically authorize a particular purchase to be financed using the master lease. The legislature anticipates that this authorization will be given only to finance the purchase of major pieces of equipment with a capital value of more than $10,000.~~

The commissioner of finance may authorize the sale and issuance of certificates of participation relative to a master lease in an amount sufficient to fund these personal property needs. The term of the certificates must be less than the expected useful life of the equipment whose purchase is financed by the certificates. The commissioner of administration may use the proceeds from the master lease or the sale of the certificates of participation to acquire the personal property through the appropriate procurement procedure in chapter 16C. Money appropriated for the lease or acquisition of this personal property is appropriated to the commissioner of finance to make master lease payments.

Sec. 56. Minnesota Statutes 1998, section 16B.31, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATIONS.] Plans must be paid for out of money appropriated for the purpose of improving or constructing the building. No part of the balance may be expended until the commissioner has secured suitable plans and specifications, prepared by a competent architect or engineer, and accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed by the commissioner or any other agency to whom an appropriation is made for a capital improvement, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this section or the act making the appropriation. The commissioner or other agency may not direct or permit any expenditure beyond that appropriated, and any agent of the commissioner violating this provision is guilty of a gross misdemeanor.

Sec. 61. Minnesota Statutes 1998, section 16B.465, is amended to read:

16B.465 [STATE INFORMATION INFRASTRUCTURE.]

Subdivision 1. [POLICY.] (a) The state through its departments and agencies shall seek ways to meet its telecommunications needs in a manner that will help to promote investment and

growth of the private sector information infrastructure throughout the state.

(b) The commissioner shall ensure that telecommunications services are acquired in a manner that:

(1) promotes the availability of technologies with statewide high-speed or advanced telecommunications capability for both public and private customers in a reasonable and timely fashion;

(2) enables the cost-effective provision of telecommunications services to the entities identified in this section;

(3) uses standards-based open, interoperable networks to the extent practicable;

(4) promotes fair and open competition in the delivery of telecommunications services;

(5) allows effective state information infrastructure network management, responsiveness, and fault protection;

(6) provides networkwide security and confidentiality as appropriate for promoting public safety, health, and welfare; and

(7) meets performance standards that are reasonable and necessary.

(c) The state may purchase, own, or lease customer premises equipment. Customer premises equipment consists of terminal and associated equipment and inside wire located at an end user's premises and connected with communication channels at the point established in a building or a complex to separate customer equipment from the network. Customer premises equipment also includes, but is not limited to, communications devices eligible for distribution to communications impaired persons under section 237.51, subdivision 1.

(d) This section does not prohibit the commissioner or other governmental entity from owning, leasing, operating, and staffing a network operation center that allows the commissioner to test, troubleshoot, and maintain network operations.

Subd. 1a. [CREATION.] Except as provided in subdivision 4, the commissioner, through the state information infrastructure ~~provides~~, shall arrange for the provision of voice, data, video, and other telecommunications transmission services to state agencies:. The state information infrastructure may also serve educational institutions, including public schools as defined in section 120A.05, subdivisions 9, 11, 13, and 17, nonpublic, church or religious organization schools that provide instruction in compliance with sections 120A.22, 120A.24, and 124A.41, and private colleges; public corporations; and state political subdivisions. It is not a telephone

company for purposes of chapter 237. ~~It~~ The commissioner may purchase, own, or lease any telecommunications network facilities or equipment after first seeking bids or proposals and having determined that the private sector cannot, will not, or is unable to provide these services, facilities, or equipment as bid or proposed in a reasonable or timely fashion consistent with policy set forth in this section. The commissioner shall not resell or sublease any services or facilities to nonpublic entities except ~~it may~~ to serve private schools and colleges. The commissioner has the responsibility for planning, development, and operations of the state information infrastructure in order to provide cost-effective telecommunications transmission services to state information infrastructure users consistent with the policy set forth in this section.

Subd. 3. [DUTIES.] (a) The commissioner~~, after consultation with the office of technology,~~ shall:

(1) ~~provide~~ arrange for voice, data, video, and other telecommunications transmission services to the state and to political subdivisions through an account in the intertechnologies revolving fund;

(2) manage vendor relationships, network function, and capacity planning in order to be responsive to the needs of the state information infrastructure users;

(3) set rates and fees for services;

(4) approve contracts for services, facilities, or equipment relating to the system;

(5) ~~in consultation with the office of technology,~~ develop ~~the~~ a system plan~~, including plans for the phasing of its implementation and maintenance of the initial system~~, and the annual program and fiscal plans for the system; and

(6) in consultation with the ~~office of technology,~~ commissioner of children, families, and learning in regard to schools, assist state agencies, political subdivisions of the state, and higher education institutions, including private colleges and public and private schools, to identify their telecommunication needs, and develop ~~a plan for interconnection of the network with private colleges and public and private schools in the state~~ plans for interoperability of the network consistent with the policies in subdivision 1, paragraphs (a) and (b). When requested, the commissioner may also assist in identifying, purchasing, or leasing their customer premises equipment.

(b) The commissioner may purchase, own, or lease any telecommunications network

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facilities or equipment after first seeking bids or proposals and having determined that the private sector cannot, will not, or is unable to provide these services, facilities, or equipment as bid or proposed in a reasonable and timely fashion consistent with the policy set forth in this section.

Subd. 4. [PROGRAM PARTICIPATION.] ~~(a)~~ The commissioner may require the participation of state agencies, the state board of education, and the board of trustees of the Minnesota state colleges and universities and may request the participation of the board of regents of the University of Minnesota, in the planning and implementation of the network to provide interconnective technologies. The board of trustees of the Minnesota state colleges and universities may opt out of participation as a subscriber on the network, in whole or in part, if the board is able to secure telecommunications services from another source that ensures it will achieve the policy objectives set forth in subdivision 1 of this section.

Subd. 4a. [ALTERNATIVE AGGREGATION.] The commissioner may, but is not required to, approve community-based aggregation of demand for telecommunications services for state agencies, including Minnesota state colleges and universities. To be considered a community-based aggregation project:

(1) the project must aggregate telecommunications demands of state agencies with that of the private sector in a community or a group of communities in a geographic region to the extent permitted by law; and

(2) the aggregation must result in telecommunications infrastructure improvements that ensure the policy set forth in subdivision 1, paragraphs (a) and (b).

Subd. 4b. [RATES.] (a) The commissioner shall establish reimbursement rates in cooperation with the commissioner of finance to be billed to participating agencies and educational institutions sufficient to cover the operating, maintenance, and administrative costs of the system.

(b) Except as otherwise provided in subdivision 4, a direct appropriation made to an educational institution for usage costs associated with the state information infrastructure must only be used by the educational institution for payment of usage costs of the network as billed by the commissioner of administration.

Subd. 6. [APPROPRIATION.] Money appropriated for the state information infrastructure and fees for telecommunications services must be deposited in an account in the intertechnologies fund. Money in the account is appropriated annually to the commissioner to

~~operate telecommunications services~~ carry out the purposes of this section.

Subd. 7. [EXEMPTION.] The system is exempt from the five-year limitation on contracts set by sections 16C.05, subdivision 2, paragraph (a), clause (5), 16C.08, subdivision 3, clause (7), and 16C.09, clause (6).

Sec. 62. [16B.616] [BLEACHER SAFETY.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Place of public accommodation" means a public or privately owned sports or entertainment arena, gymnasium, auditorium, stadium, hall, special event center in a public park, or other facility for public assembly.

(c) "Bleacher" refers to any tiered or stepped seating facility, whether temporary or permanent, used in a place of public accommodation for the seating of its occupants.

Subd. 2. [APPLICATION.] All places of public accommodation must comply with the provisions of this section.

Subd. 3. [SAFETY REQUIREMENTS.] In places of public accommodation using bleacher seating, all bleachers or bleacher open spaces over 30 inches above grade or the floor below, must conform to the following safety requirements:

(1) the open space between bleacher footboards, seats, and guardrails must not exceed four inches, unless approved safety nets are installed;

(2) bleachers must have vertical perimeter guardrails with no more than four-inch rail spacing between vertical rails or other approved guardrails that address climbability and are designed to prevent accidents; and

(3) the state building official shall determine whether the safety nets and guardrail climbability meet the requirements of the alternate design section of the State Building Code. All new bleachers manufactured, installed, sold, or distributed after January 1, 2001, must comply with the State Building Code in effect and clauses (1), (2), and (3).

Subd. 4. [ENFORCEMENT.] (a) A statutory or home rule charter city that is not covered by the code because of action taken under section 16B.72 or 16B.73 is responsible for enforcement in the city of the code's requirements for bleacher safety. In all other areas where the code does not apply because of action taken under section 16B.72 or 16B.73, the county is

responsible for enforcement of those requirements.

(b) Municipalities that have not adopted the code may enforce the code requirements for bleacher safety by either entering into a joint powers agreement for enforcement with another municipality that has adopted the code or contracting for enforcement with a qualified and certified building official or state licensed design professional to enforce the code.

(c) Municipalities, school districts, organizations, individuals, and other persons operating or owning places of public accommodation with bleachers shall provide a signed certification of compliance to the commissioner by January 1, 2001. The certification shall be prepared by a qualified and certified building official or state licensed design professional and shall certify that the bleachers have been inspected and are in compliance with the requirements of this section and are structurally sound.

Subd. 5. [NONCOMPLYING BLEACHERS PROHIBITED.] The commissioner, in addition to other remedies provided for violations of this chapter, shall forbid use of bleachers not in compliance with this section.

Subd. 6. [PERIODIC INSPECTIONS.] Bleacher footboards and guardrails must be reinspected at least every five years and a structural inspection must be made at least every ten years. Inspections may be completed in the same manner as provided in subdivision 4. This section does not preclude a municipal authority from establishing additional reinspections under the State Building Code.

Sec. 65. [16C.065] [COST-BENEFIT ANALYSIS.]

(a) The commissioner or an agency official to whom the commissioner has delegated duties under section 16C.03, subdivision 16, may not approve a contract or purchase of goods or services in an amount greater than $5,000,000 unless a cost-benefit analysis has been completed and shows a positive benefit to the public. The management analysis division must perform or direct the performance of the analysis. A cost-benefit analysis must be performed for a project if an aggregation of contracts or purchases for a project exceeds $5,000,000.

(b) All cost-benefit analysis documents under this section, including preliminary drafts and notes, are public data.

(c) If a cost-benefit analysis does not show a positive benefit to the public, the governor may approve a contract or purchase of goods or services if a cost-effectiveness study had been

done that shows the proposed project is the most effective way to provide a necessary public good.

(d) This section applies to contracts for goods or services that are expected to have a useful life of more than three years. This section does not apply for purchase of goods or services for response to a natural disaster if an emergency has been declared by the governor.

Sec. 68. Minnesota Statutes 1998, section 16E.01, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The office of technology, referred to in this chapter as the "office," is ~~an agency in the executive branch managed by an executive director appointed by the governor~~ under the supervision of the commissioner of administration. The office shall provide leadership and direction for information and communications technology policy in Minnesota. The office shall coordinate strategic investments in information and communications technology to encourage the development of a technically literate society and to ensure sufficient access to and efficient delivery of government services.

Sec. 71. Minnesota Statutes 1998, section 43A.047, is amended to read:

43A.047 [CONTRACTED SERVICES.]

(a) Executive agencies, including the Minnesota state colleges and universities system, must demonstrate that they cannot use available staff before hiring outside consultants or services. If use of consultants is necessary, agencies are encouraged to negotiate contracts that will involve permanent staff, so as to upgrade and maximize training of state employees.

(b) If agencies reduce operating budgets, agencies must give priority to reducing spending on professional and technical service contracts before laying off permanent employees.

(c) Agencies must report to the ~~senate finance and house ways and means committees~~ commissioner of administration by ~~August~~ November 1 each year on implementation of this section during the previous fiscal year. The reports must include amounts spent on professional and technical service contracts during the previous fiscal year. The commissioner shall compile the reports into a uniform format and forward them to the chairs of the senate finance and house ways and means committees by November 15.

Sec. 72. Minnesota Statutes 1998, section 43A.22, is amended to read:

43A.22 [BENEFITS; INTENT.]

(a) It is the intent of the state to provide eligible employees and other eligible persons with life insurance and hospital, medical, and dental benefits coverage through provider organizations, hereafter referred to as "carriers," authorized to do business in the state.

(b) The commissioner may self-insure any hospital and medical plan offered under sections 43A.22 to 43A.31 to promote reasonably stable and predictable premiums for hospital and medical benefits paid by the state and its employees and to promote affordable, ongoing relationships between employees and dependents and their medical providers. The commissioner shall consult with the commissioners of commerce and health and human services regarding the development and reporting of quality of care measures.

Sec. 73. Minnesota Statutes 1998, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner is authorized to request bids from carriers or to negotiate with carriers and to enter into contracts with carriers which in the judgment of the commissioner are best qualified to underwrite and service the benefit plans. Contracts entered into with carriers are not subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate premium rates and coverage provisions with all carriers licensed under chapters 62A, 62C, and 62D. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to underwrite the benefit plans must be bid or negotiated separately from contracts to service the benefit plans, which may be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers, and any other factors which the commissioner deems appropriate. Each benefit contract must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, make hospital and medical benefits available from at least one carrier licensed to do business pursuant to each of chapters 62A, 62C, and 62D. The commissioner need not provide health maintenance organization services to an employee who resides in an area which is not served by a licensed health maintenance organization. The commissioner may refuse to allow a health maintenance

organization to continue as a carrier. The commissioner may elect not to offer all three types of carriers if there are no bids or no acceptable bids by that type of carrier or if the offering of additional carriers would result in substantial additional administrative costs. A carrier licensed under chapter 62A is exempt from the tax imposed by section 60A.15 on premiums paid to it by the state.

All self-insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

Sec. 74. Minnesota Statutes 1998, section 43A.23, subdivision 2, is amended to read:

Subd. 2. [CONTRACT TO CONTAIN STATEMENT OF BENEFITS.] (a) Each contract under sections 43A.22 to 43A.30 shall contain a detailed statement of benefits offered and shall include any maximums, limitations, exclusions, and other definitions of benefits the commissioner deems necessary or desirable. Each hospital and medical benefits contract shall provide benefits at least equal to those required by section 62E.06, subdivision 2.

(b) All summaries of benefits describing the hospital and medical service benefits offered to state employees must comply with laws and rules for content and clarity applicable to the licensed carrier administering the product. Referral procedures must be clearly described. The commissioners of commerce and health, as appropriate, shall review the summaries of benefits, whether written or electronic, and advise the commissioner of employee relations on any changes needed to ensure compliance.

Sec. 78. [43A.318] [PUBLIC EMPLOYEES GROUP LONG-TERM CARE INSURANCE PROGRAM.]

Subdivision 1. [DEFINITIONS.] (a) [SCOPE.] For the purposes of this section, the terms defined have the meaning given them.

(b) [ADVISORY COMMITTEE; COMMITTEE.] "Advisory committee" or "committee"

means the committee created under subdivision 3.

(c) [COMMITTEE MEMBER; MEMBER.] "Committee member" or "member" means a person serving on the advisory committee created under subdivision 3.

(d) [ELIGIBLE PERSON.] "Eligible person" means:

(1) an active member of a public pension plan of the state;

(2) an employee or elected official of the state who is not eligible for participation in a public employee pension plan of the state; or

(3) a spouse or parent of a person described in clause (1) or (2), regardless of the enrollment status in the program of the person described in clause (1) or (2).

(e) [PROGRAM.] "Program" means the statewide public employees long-term care insurance program created under subdivision 2.

(f) [PUBLIC EMPLOYEE PENSION PLAN.] "Public employee pension plan" means any Minnesota public pension plan or fund that provides pension or retirement coverage for state employees.

(g) [QUALIFIED VENDOR.] "Qualified vendor" means an entity licensed or authorized to underwrite, provide, or administer group long-term care insurance benefits in this state.

Subd. 2. [PROGRAM CREATION; GENERAL PROVISIONS.] (a) The commissioner may administer a program to make long-term care coverage available to eligible persons. The commissioner may determine the program's funding arrangements, request bids from qualified vendors, and negotiate and enter into contracts with qualified vendors. Contracts are not subject to the requirements of section 16C.16 or 16C.19. Contracts must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. The program may not be self-insured until the commissioner has completed an actuarial study of the program and reported the results of the study to the legislature and self-insurance has been specifically authorized by law.

(b) The program may provide coverage for home, community, and institutional long-term care and any other benefits as determined by the commissioner. Coverage is optional. The enrolled eligible person must pay the full cost of the coverage.

(c) The commissioner shall promote activities that attempt to raise awareness of the need for long-term care insurance among residents of the state and encourage the increased prevalence of long-term care coverage. These activities must include the sharing of knowledge gained in the

development of the program.

(d) The commissioner may employ and contract with persons and other entities to perform the duties under this section and may determine their duties and compensation consistent with this chapter.

(e) The benefits provided under this section are not terms and conditions of employment as defined under section 179A.03, subdivision 19, and are not subject to collective bargaining.

(f) The commissioner shall establish underwriting criteria for entry of all eligible persons into the program. Eligible persons who would be immediately eligible for benefits may not enroll.

(g) Eligible persons who meet underwriting criteria may enroll in the program upon hiring and at other times established by the commissioner.

(h) An eligible person enrolled in the program may continue to participate in the program even if an event, such as termination of employment, changes the person's employment status.

(i) Participating public employee pension plans and public employers may provide automatic pension or payroll deduction for payment of long-term care insurance premiums to qualified vendors contracted with under this section.

(j) The premium charged to program enrollees must include an administrative fee to cover all program expenses incurred in addition to the cost of coverage. All fees collected are appropriated to the commissioner for the purpose of administrating the program.

Subd. 3. [ADVISORY COMMITTEE.] (a) The committee consists of:

(1) the executive directors or designees of the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association;

(2) one member of the investment advisory committee of the state board of investment provided under section 11A.08 appointed by the board;

(3) one staff member of the department of human services appointed by the commissioner of human services;

(4) one staff member of the department of commerce appointed by the commissioner of commerce;

(5) one member of the medical community with clinical knowledge of long-term care appointed by the commissioner of employee relations; and

(6) six members representing the interests of eligible persons, including exclusive

representatives of employees as defined by section 179A.03, subdivision 8, and unrepresented employees appointed by the commissioner of employee relations.

(b) Appointment to and removal from the committee must be in the manner provided in section 15.059.

(c) The members of the committee described in paragraph (a), clauses (1) to (5), serve without term limits. The terms of members described in paragraph (a), clause (6), are governed by section 15.059, subdivision 2.

(d) Members serve without compensation, but are eligible for reimbursement of expenses in the same manner and amount as authorized under section 43A.18, subdivision 2.

(e) The committee shall advise the commissioner on program issues, including, but not limited to, benefits, coverage, funding, eligibility, enrollment, underwriting, and marketing.

Subd. 4. [LONG-TERM CARE INSURANCE TRUST FUND.] (a) The long-term care insurance trust fund in the state treasury consists of deposits of the premiums received from persons enrolled in the program. All money in the fund is appropriated to the commissioner to pay premiums, claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money sufficient to cover the actuarially estimated costs of claims incurred but unpaid. The trust fund must be used solely for the purpose of the program.

(b) The state board of investment shall invest the money in the fund according to section 11A.24. Investment income and losses attributable to the fund must be credited to or deducted from the fund.

Subd. 5. [PRIVATE SOURCES.] This section does not prohibit or limit individuals or local governments from purchasing long-term care insurance through other private sources.

Sec. 106. Laws 1997, chapter 202, article 2, section 61, is amended to read:

Sec. 61. [VOLUNTARY UNPAID LEAVE OF ABSENCE.]

Appointing authorities in state government ~~shall encourage~~ may allow each employee to take an unpaid leave of absence for up to 160 hours during the period ending June 30, ~~1999~~ 2001. Each appointing authority approving such a leave shall allow the employee to continue accruing vacation and sick leave, be eligible for paid holidays and insurance benefits, accrue seniority, and accrue service credit in state retirement plans permitting service credits for authorized leaves of

absence as if the employee had actually been employed during the time of the leave. If the leave of absence is for one full pay period or longer, any holiday pay shall be included in the first payroll warrant after return from the leave of absence. The appointing authority shall attempt to grant requests for unpaid leaves of absence consistent with the need to continue efficient operation of the agency. However, each appointing authority shall retain discretion to grant or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject to applicable provisions of collective bargaining agreements and compensation plans.

Sec. 109. [STATE TRAVEL OFFICE.]

Subdivision 1. [STUDY.] The commissioner of administration shall study the feasibility and potential advantages of establishing a state travel office in the executive branch to manage and oversee arrangements for air and surface travel by state employees and officials. In conducting the study, the commissioner shall consider travel procedures currently used by the state in comparison with those used by the federal government, other states, and private businesses.

Subd. 2. [ISSUES.] The study required by subdivision 1 must address, at a minimum:

(1) the relative merits of central versus decentralized management and oversight of travel;

(2) current procedures used by the legislative, judicial, and executive branches of the state as well as the Minnesota state colleges and universities and the University of Minnesota;

(3) statutory and other authority necessary to manage and oversee state travel;

(4) the relative merits of state operation of travel services versus the provision of travel services by travel agencies under contract;

(5) the use of one travel agency versus several preferred agencies;

(6) the criteria used in selecting the preferred agencies;

(7) managing frequent-flier miles versus other options; and

(8) the use of Internet-based travel authorization and booking versus traditional methods.

Subd. 3. [REPORT.] The commissioner shall report to the legislature on the conclusions of the study by January 15, 2000. The report must include recommendations for any legislation that might be necessary to implement the report's conclusions.

Sec. 112. [EMPLOYEE ASSISTANCE PROGRAM; TRANSFER.]

Responsibility for the state employee assistance program under Minnesota Statutes, section 16B.39, subdivision 2, is transferred from the commissioner of administration to the commissioner of employee relations under Minnesota Statutes, section 15.039.

Sec. 113. [OFFICE OF TECHNOLOGY; TRANSFER.]

In accordance with Minnesota Statutes, sections 15.039 and 43A.045, the responsibilities of the executive director of the office of technology under Minnesota Statutes, chapter 16E, and otherwise, are transferred to the commissioner of administration.

ARTICLE 2 - YEAR 2000

Sec. 3. [604B.01] [YEAR 2000 ACTIVITIES; IMMUNITY.]

Subdivision 1. [DEFINITIONS.] For the purpose of this section, the terms defined in this section have the meanings given them.

Subd. 2. [ASSOCIATION.] "Association" means a trade, professional, governmental, or similar organization the members of which are individuals, enterprises, or governmental units engaged in similar lines of business, services, or activity.

Subd. 3. [STATE AGENCY.] "State agency" means the University of Minnesota, Minnesota state colleges and universities, and the departments, boards, agencies, and commissions in the executive, judicial, and legislative branches.

Subd. 4. [YEAR 2000 SOLUTION INFORMATION.] "Year 2000 solution information" means information related to solutions that address the inability of computer systems, software, or electronically controlled devices to recognize certain dates in 1999 and after December 31, 1999. That inability may cause disruptions in electronic communications or the functioning of electronically controlled equipment resulting or reasonably anticipated to result from erroneous data that is or may be supplied by electronic devices.

Subd. 5. [ASSOCIATION AND RELATED IMMUNITY.] No cause of action may be maintained against an association for damages or harm resulting from the collection of year 2000 solution information or the publication of that information or against any person or entity for providing year 2000 solution information to the association.

Subd. 6. [STATE AGENCY IMMUNITY.] No cause of action may be maintained

against a state agency for damages or harm resulting from the collection of year 2000 solution information or the publication of that information.

Subd. 7. [GOVERNMENTAL UNIT IMMUNITY.] No cause of action may be maintained against a governmental unit as defined in section 462.384, subdivision 2, including governmental units acting jointly under section 471.59, for damages or harm resulting from the collection, publication, or dissemination of year 2000 solution information to other governmental units or to the metropolitan council or agencies.

Subd. 8. [EXCEPTION.] Subdivisions 5 to 7 do not apply if the party against whom the claim is brought knew in fact that the year 2000 solution information provided was materially false.

Subd. 9. [NO IMPLIED CAUSE OF ACTION CREATED.] No liability on the part of any person or any public or private entity is implied or created by this section by the absence of a grant of immunity under this section.

PENSION OMNIBUS BILL
S.F. 319 (Chapter 222)

Section	ARTICLE 9 MISCELLANEOUS PENSION CHANGES	Language Page
7	**Higher Education Supplemental Retirement**. Amending M.S. 354C.11, this section clarifies eligibility for participation in the MnSCU supplemental plan, and includes specified employees in the general professional (MAPE) or supervisory (MMA) bargaining units.	103

Section	ARTICLE 12 ANNUITY LIMITS	Language Page
1-2	**Limitation on Public Employee Retirement Annuities**. This entire Article clarifies State Statute to align with recent Federal law changes concerning the compensation included in the definition of gross income for purposes of the maximum limitation on annuities payable to retirees. The Article specifies that tax sheltered annuities (403(b)'s) and related programs are included in the salary definition for purposes of annuity limits.	104

Section	ARTICLE 18 TAX-SHELTERED ANNUITIES	Language Page
1	**Employer Matching Contribution; Tax Sheltered Annuity Changes**. This Section increases from 10 to 20 the maximum number of insurance companies that the State Board of Investment can select to participate in the 403(b) deferred compensation plans with employer contributions for school district employees. It provides for the State Board of Investment to select up to five qualified investment entities other than insurance companies. It assures that companies other than insurance companies includes mutual funds open ended investment companies.	106
2	**Commission Study**. This section requires the Pension Commission to study partially employer-funded tax-sheltered savings programs for education employees, including establishment of a single program structure and elimination of restriction on investment vendors. *Note: While these changes in Article 18 to not currently directly affect MnSCU employees they are an indication of the direction the State may want to move in the future. We anticipate that this section will be further clarified in the 2000 Legislative session.*	108

Section	ARTICLE 19 MnSCU INDIVIDUAL RETIREMENT ACCOUNT	Language Page
1	**Health Insurance**. This section, amending M.S. 43A.27 provides that MnSCU employees who choose the Individual Retirement Account Plan (IRAP) can participate in the State health insurance program a manner similar to other retired State employees.	108
2	**Health Insurance**. This section amends M.S. 136F.48 and provides that MnSCU employees covered by the IRAP retirement plan can participate in employer-paid health insurance upon return to part-time work in the same manner as MnSCU employees who chose the TRA retirement plan instead of IRAP.	109
3	**No Annuity Reductions**. This MSRS provision (M.S. 352.1155) provides that MnSCU employees who were members of MSRS are exempt from a reduction in their retirement annuity upon return to part-time MnSCU work in the same manner as MnSCU employees who were members of TRA.	111
4	**TRA Annuity Reduction**. This amendment to M.S. 354.445 provides that people who are exempt from TRA annuity reduction provisions upon return to part-time MnSCU work cannot participate In the defined benefit or defined contribution pension p ans upon return to work.	112
5	**District, Defined**. This is a technical change to TRA language to properly define MnSCU and deletes archaic language.	113
6-7	**Part-Time Mobility**. (Amends M.S. 354.66) These sections provide for status under the TRA part-time mobility program for MnSCU teachers who work (teaching) part-time during the first semester only and then retire. Clarifies adjustment from quarters to semesters.	113
8	**Sabbatical Leave**. This section (M.S. 354B.24) requires MnSCU faculty on sabbatical leave to continue making pension contributions during the leave and not just upon its conclusion.	114
9	**Investment Options**. This section expands the investment options available under the IRAP plan. It assures direct access to mutual funds as well as other options.	115
10	**Investment Options**. This section clarifies the criteria for selection of investment options as selected by the State Board of Investment. Fees and expenses must also be considered by the Board in making selections for IRAP.	116
11	**Fees**. This section provides more options for the method of charging fees to IRAP participants.	117

12 **Mobility**. This section, amending M.S. 354B.31, provides a part-time mobility program for IRAP participants similar to that offered under TRA for persons covered by that retirement plan. 117

13 **Supplemental Retirement Plan**. Similar to section 11, this change provides more options for the method of charging fees to Supplemental plan participants. 119

PENSION OMNIBUS BILL
Chapter 222 (S.F. 319)

ARTICLE 9 - MISCELLANEOUS PENSION CHANGES

Sec. 7. Minnesota Statutes 1998, section 354C.11, is amended to read:

354C.11 [COVERAGE.]

Subdivision 1. [AUTHORIZATION.] ~~Personnel~~ Individuals employed by the board of trustees of the Minnesota state colleges and universities ~~who are in the unclassified service of the state, and who have completed at least two years of employment by the board or a predecessor board with a full-time contract~~ are ~~participants~~ authorized to participate in the supplemental retirement plan, effective on the next following July 1, ~~if the person is employed in an eligible~~ after meeting eligibility requirements specified in subdivision 2.

Subd. 2. [ELIGIBILITY.] (a) An individual must participate in the supplemental retirement plan if the individual is employed by the board of trustees in the unclassified service of the state and has completed at least two years with a full time contract of applicable unclassified employment with the board or an applicable predecessor board in any of the positions specified in paragraph (b).

(b) Eligible positions or employment classifications are:

(1) an unclassified administrative position as defined in section 354B.20, subdivision 6; ~~or is employed in~~;

(2) an employment classification included in one of the following collective bargaining units under section 179A.10, subdivision 2:

~~(1)~~ (i) the state university instructional unit;

~~(2)~~ (ii) the community college instructional unit;

~~(3)~~ (iii) the technical college instructional unit; and

~~(4)~~ (iv) the state university administrative unit; or

~~(3) an unclassified employee of the board included in the general professional unit or supervisory employees unit under section 179A.10, subdivision 2.~~

Subd. 3. [CONTINUING ELIGIBILITY AUTHORIZATION.] Once a person qualifies for participation in the supplemental retirement plan, all subsequent service by the person as an unclassified employee of the ~~state university board, the state board for community colleges, the higher education board, or the technical colleges~~ board of trustees in a position or employment

classification listed in subdivision 2, paragraph (b), is covered by the supplemental retirement plan.

ARTICLE 12 - ANNUITY LIMITS

Section 1. Minnesota Statutes 1998, section 356.61, is amended to read:

356.61 [LIMITATION ON PUBLIC EMPLOYEE RETIREMENT ANNUITIES.]

Notwithstanding any provision of law, bylaws, articles of incorporation, retirement and disability allowance plan agreements or retirement plan contracts to the contrary, no person who has pension or retirement coverage by a public pension plan is entitled to receive a monthly retirement annuity or disability benefit which, at the time of commencement of the retirement annuity or disability benefit, exceeds 1/12 of the amount of the annual benefit permitted by the terms of section 415 of the Internal Revenue Code with respect to a participant in a plan qualified under section 401(a) of the Internal Revenue Code, as amended through December 31, 1982.

The benefit limitation is to be determined on the date the benefit is initially payable or on the date the employee terminated employment, if earlier. The benefit limitation on any date is the benefit limitation for the limitation year in which the date occurs. The limitations apply only to the annual benefit which is derived from employer contributions. Mandatory and voluntary employee contributions, if any, are treated as a separate defined contribution plan maintained by the employer which is subject to the limitations placed on annual additions to defined contribution plans.

The maximum annual benefit for any limitation year is the lesser of (1) or (2) below:

(1) A dollar limitation of $90,000, adjusted as of January 1 of each calendar year to the dollar limitation as determined for that year by the commissioner of Internal Revenue. The amount determined for any year will apply to limitation years ending with or within that calendar year.

(2) A compensation limitation of 100 percent of the average of compensation paid or made available to the participant by the employer during those three consecutive calendar years of employment, or actual number of consecutive calendar years of employment if employed less than three consecutive years, which give the highest average. Compensation means any compensation which is includable in the employee's gross income, plus any elective deferral as defined in section 402(g)(3) of the federal Internal Revenue Code of 1986, as amended through May 15, 1999, and any amount which was contributed or deferred by the employer at the election

of the employee and which is not includable in the gross income of the employee by reason of section 125 or 457 of the federal Internal Revenue Code.

A benefit is deemed not to exceed the maximum benefit limitation if:

(1) the retirement benefits payable under the plan and under any other defined benefit plans of the employer do not the $10,000 limit set in section 415(b)(4) of the Internal Revenue Code for the plan year, or for any prior plan year, and

(2) the employer has not at any time maintained a defined contribution plan in which the employee participated.

A public pension plan is any Minnesota public pension plan or fund which provides pension or retirement coverage for public employees other than volunteer firefighters, including any plan or fund enumerated in sections 356.20, subdivision 2, or 356.30, subdivision 3, any local police or firefighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources.

The figure for the monthly retirement annuity or disability benefit to be used for the calculation of this limitation must not include any reduction or adjustment required for retirement prior to the normal retirement age or required for the election of an optional annuity.

If the figure for the monthly retirement annuity or disability benefit exceeds the limit contained in this section, the annuity or benefit payable must be reduced appropriately.

The managing board of each public pension plan from which a retirement annuity or disability benefit is payable shall, at the time that the retirement annuity or disability benefit commences, contact all other public pension plans to determine whether or not the recipient of the retirement annuity or disability benefit is also receiving or is entitled to receive a retirement annuity or disability benefit from any other public pension plan. If a person is entitled to receive or is receiving a retirement annuity or disability benefit from more than one public pension plan, all retirement annuities or disability benefits from all public pension plans must be totaled in determining whether or not the limitation applies. A reduction in the amount of the retirement annuity or disability benefit required under this section is made by the public pension plan which provided retirement coverage for the most recent period of service.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 18 - TAX-SHELTERED ANNUITY CHANGES

Section 1. Minnesota Statutes 1998, section 356.24, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTION; EXCEPTIONS.] (a) It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits;

(3) to the individual retirement account plan established by chapter 354B;

(4) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(5) for employees other than personnel employed by the state university board or the community college board and covered by the board of trustees of the Minnesota state colleges and universities supplemental retirement plan under chapter 354C, if provided for in a personnel policy of the public employer or in the collective bargaining agreement between the public employer and the exclusive representative of public employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of $2,000 a year per employee;

(i) to the state of Minnesota deferred compensation plan under section 352.96; or

(ii) in payment of the applicable portion of the premium on a tax-sheltered annuity contract qualified under section 403(b) of the Internal Revenue Code, if purchased from a qualified insurance company, or to a qualified investment entity, as defined in subdivision 1a, and, in either case, if the employing unit has complied with any applicable pension plan provisions of the Internal Revenue Code with respect to the tax-sheltered annuity program during the preceding calendar year; or

(6) for personnel employed by the state university board or the community college board and not covered by clause (5), to the supplemental retirement plan under chapter 354C, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of $2,000 a year for each employee.

~~(b)~~ Subd. 1a. [QUALIFIED INSURANCE COMPANY; QUALIFIED INVESTMENT ENTITIES; DEFINITIONS.] (a) A qualified insurance company is a company that:

(1) meets the definition in section 60A.02, subdivision 4;

(2) is licensed to engage in life insurance or annuity business in the state;

(3) is determined by the commissioner of commerce to have a rating within the top two rating categories by a recognized national rating agency or organization that regularly rates insurance companies; and

(4) is determined by the state board of investment to be among ~~the ten~~ up to 20 applicant insurance companies with competitive investment options and investment returns ~~on annuity products~~.

(b) A qualified investment entity is an open-end investment company that:

(1) is registered under the federal Investment Company Act of 1940;

(2) is licensed to do business in the state;

(3) is determined by the commissioner of commerce to be in sound financial standing; and

(4) is determined by the state board of investment to be among up to five applicant investment entities with competitive investment options and investment returns.

(c) The state board of investment determination must be made on or before ~~January 1, 1993~~ July 1, 2000, and must be reviewed periodically. The state board of investment may retain actuarial services to assist it in this determination and in its periodic review. The state board of investment may annually establish a budget for its costs in any determination and periodic review processes. The state board of investment may charge a proportional share of all costs related to the periodic review to those qualified insurance companies and qualified investment entities currently under contract and may charge a proportional share of all costs related to soliciting and evaluating bids in a determination process to each company and investment entity selected by the state board of investment. All contracts must be approved before execution by

the state board of investment. The state board of investment shall establish policies and procedures under section 11A.04, clause (2), to carry out this paragraph.

~~(c)~~ Subd. 1b. [VENDOR RESTRICTIONS.] A personnel policy for unrepresented employees or a collective bargaining agreement may establish limits on the number of vendors under ~~paragraph (b), clause (5),~~ subdivision 1 that it will utilize and conditions under which the vendors may contact employees both during working hours and after working hours.

Sec. 2. [COMMISSION STUDY.]

The legislative commission on pensions and retirement shall study the issue of the appropriate means to provide partially employer-funded tax-sheltered savings opportunities for educational employees, including the establishment of a single comprehensive program structure for all applicable educational employers and the elimination of any restriction on investment vendors in providing partially employer-funded investment opportunities to educational employees.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective May 15, 2000. Section 2 is effective on the day following final enactment.

ARTICLE 19 - MNSCU INDIVIDUAL RETIREMENT ACCOUNT PLAN CHANGES

Section 1. Minnesota Statutes 1998, section 43A.27, subdivision 3, is amended to read:

Subd. 3. [RETIRED EMPLOYEES.] (a) A person may elect to purchase at personal expense individual and dependent hospital, medical, and dental coverages if the person is:

(1) a retired employee of the state or an organization listed in subdivision 2 or section 43A.24, subdivision 2, who, at separation of service:

(i) is immediately eligible to receive a retirement benefit under chapter 354B or an annuity under a retirement program sponsored by the state or such organization of the state ~~and~~;

(ii) immediately meets the age and service requirements in section 352.115, subdivision 1; and

~~(ii)~~ (iii) has five years of service or meets the service requirement of the collective bargaining agreement or plan, whichever is greater; or

(2) a retired employee of the state who is at least 50 years of age and has at least 15 years of state service.

(b) The commissioner shall offer at least one plan which is actuarially equivalent to those made available through collective bargaining agreements or plans established ~~pursuant to~~ under section 43A.18 to employees in positions equivalent to that from which retired.

(c) A spouse of a ~~deceased retired employee who received an annuity under a state retirement program~~ person eligible under paragraph (a) may purchase the coverage listed in this subdivision if the spouse was a dependent under the retired employee's coverage at the time of the employee's retiree's death.

(d) Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Until the retired employee reaches age 65, the retired employee and dependents must be pooled in the same group as active employees for purposes of establishing premiums and coverage for hospital, medical, and dental insurance. Coverage for retired employees and their dependents may not discriminate on the basis of evidence of insurability or preexisting conditions unless identical conditions are imposed on active employees in the group that the employee left. Appointing authorities shall provide notice to employees no later than the effective date of their retirement of the right to exercise the option provided in this subdivision. The retired employee must notify the commissioner or designee of the commissioner within 30 days after the effective date of the retirement of intent to exercise this option.

Sec. 2. Minnesota Statutes 1998, section 136F.48, is amended to read:

136F.48 [EMPLOYER-PAID HEALTH INSURANCE.]

(a) This section applies to a person who:

(1) retires from the Minnesota state ~~university~~ colleges and universities system, ~~the technical college system, or the community college system, or from a successor system employing state university, technical college, or community college faculty,~~ with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a ~~state university, technical college, or community college~~ faculty member or as an unclassified

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administrator ~~in one of those systems~~ the Minnesota state colleges and universities system;

(3) begins drawing a retirement benefit from the individual retirement account plan or an annuity from the teachers retirement association, from the general state employees retirement plan or the unclassified state employees retirement program of the Minnesota state retirement system, or from a first class city teacher retirement plan; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than $35,000 in a calendar year from employment after retirement in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) For a person eligible under paragraphs (a) and (b), the employing board shall make the same employer contribution for hospital, medical, and dental benefits as would be made if the person were employed full time.

(d) For work under paragraph (a), a person must receive a percentage of the person's salary at the time of retirement that is equal to the percentage of time the person works compared to full-time work.

(e) If a collective bargaining agreement covering a person provides for an early retirement incentive that is based on age, the incentive provided to the person must be based on the person's age at the time employment under this section ends. However, the salary used to determine the amount of the incentive must be the salary that would have been paid if the person had been employed full time for the year immediately preceding the time employment under this section ends.

(f) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 3. [352.1155] [NO ANNUITY REDUCTION.]

Subdivision 1. [ELIGIBILITY.] Except as indicated in subdivision 4, the annuity reduction provisions of section 352.115, subdivision 10, do not apply to a person who:

(1) retires from the Minnesota state colleges and universities system with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a faculty member or as an unclassified administrator in that system;

(3) begins drawing an annuity from the general state employees retirement plan of the Minnesota state retirement system; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than $35,000 in a calendar year from employment after retirement in the system from which the person retired.

Subd. 2. [APPROVAL REQUIREMENTS.] Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

Subd. 3. [SERVICE CREDIT PROHIBITION.] Notwithstanding any law to the contrary, a person eligible under this section may not, based on employment to which the waiver in this section applies, earn further service credit in a Minnesota public defined benefit plan and is not eligible to participate in a Minnesota public defined contribution plan, other than a volunteer fire plan governed by chapter 424A. No employer or employee contribution to any of these plans may be made on behalf of such a person.

Subd. 4. [EXEMPTION LIMIT.] For a person eligible under this section who earns more than $35,000 in a calendar year from reemployment in the Minnesota state colleges and universities system following retirement, the annuity reduction provisions of section 352.115, subdivision 10, apply only to income over $35,000.

Subd. 5. [CONTINUING RIGHTS.] A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 4. Minnesota Statutes 1998, section 354.445, is amended to read:

354.445 [NO ANNUITY REDUCTION.]

(a) The annuity reduction provisions of section 354.44, subdivision 5, do not apply to a person who:

(1) retires from the Minnesota state ~~university~~ colleges and universities system~~, technical college system, or the community college system, or from a successor system employing state university, technical college, or community college faculty~~, with at least ten years of combined service credit in a system under the jurisdiction of the board of trustees of the Minnesota state colleges and universities;

(2) was employed on a full-time basis immediately preceding retirement as a ~~state university, technical college, or community college~~ faculty member or as an unclassified administrator in ~~one of these systems~~ that system;

(3) begins drawing an annuity from the teachers retirement association; and

(4) returns to work on not less than a one-third time basis and not more than a two-thirds time basis in the system from which the person retired under an agreement in which the person may not earn a salary of more than $35,000 in a calendar year from employment after retirement in the system from which the person retired.

(b) Initial participation, the amount of time worked, and the duration of participation under this section must be mutually agreed upon by the president of the institution where the person returns to work and the employee. The president may require up to one-year notice of intent to participate in the program as a condition of participation under this section. The president shall determine the time of year the employee shall work. The employer or the president may not require a person to waive any rights under a collective bargaining agreement as a condition of participation under this section.

(c) Notwithstanding any law to the contrary, a person eligible under paragraphs (a) and (b) may not, based on employment to which the waiver in this section applies, earn further

service credit in ~~the teachers retirement association and is not eligible to participate in the individual retirement account plan or the supplemental retirement plan established in chapter 354B as a result of service under this section~~ a Minnesota public defined benefit plan and is not eligible to participate in a Minnesota public defined contribution plan, other than a volunteer fire plan governed by chapter 424A. No employer or employee contribution to any of these plans may be made on behalf of such a person.

(d) For a person eligible under paragraphs (a) and (b) who earns more than $35,000 in a calendar year from employment after retirement ~~in the system from which the person retired~~ due to employment by the Minnesota state colleges and universities system, the annuity reduction provisions of section 354.44, subdivision 5, apply only to income over $35,000.

(e) A person who returns to work under this section is a member of the appropriate bargaining unit and is covered by the appropriate collective bargaining contract. Except as provided in this section, the person's coverage is subject to any part of the contract limiting rights of part-time employees.

Sec. 5. Minnesota Statutes 1998, section 354.66, subdivision 1b, is amended to read:

Subd. 1b. [DISTRICT, DEFINED.] For purposes of this section, the term "district" means a school district~~, the community~~ or the Minnesota state ~~college~~ colleges ~~system~~ and ~~the state university~~ universities system.

Sec. 6. Minnesota Statutes 1998, section 354.66, subdivision 1c, is amended to read:

Subd. 1c. [PARTICIPATION.] (a) Except as indicated in paragraph (b), participation in the part-time mobility program must be based on a full fiscal year and the employment pattern of the teacher during the most recent fiscal year.

(b) For a teacher in the Minnesota state colleges and universities system who teaches only during the first semester in an academic year and retires immediately after the first semester, participation in the part-time mobility program must be based on one-half of a full fiscal year and the employment pattern of the teacher during the most recent one-half of the most recent fiscal year.

Sec. 7. Minnesota Statutes 1998, section 354.66, subdivision 3, is amended to read:

Subd. 3. [PART-TIME TEACHING POSITION, DEFINED.] (a) For purposes of this section, the term "part-time teaching position" ~~shall mean~~ means a teaching position within the district in which the teacher is employed for at least 50 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding 80 percent of the compensation established by the board for a full-time teacher with identical education and experience with the employing unit.

(b) ~~The compensation of a teacher in the state colleges and universities system may exceed the 80 percent limit if the teacher does not teach just one of the three quarters in the system's full school year, provided no additional services are performed while the teacher participates in the program.~~ For a teacher to which subdivision 1c, paragraph (b), applies, the term "part-time teaching position" means a teaching position within the district in which the teacher is employed for at least 25 full days or a fractional equivalent thereof as prescribed in section 354.091, and for which the teacher is compensated in an amount not exceeding 40 percent of the compensation established by the board for a full-time teacher, with identical education and experience with the employing unit.

Sec. 8. Minnesota Statutes 1998, section 354B.24, subdivision 3, is amended to read:

Subd. 3. [~~OPTIONAL~~ ADDITIONAL CONTRIBUTIONS.] (a) In addition to contributions required by subdivision 2, a plan participant on an approved sabbatical leave ~~may~~ shall make ~~an optional additional~~ a member contribution. ~~The optional additional member may not exceed~~ based on the ~~applicable~~ member contribution rate specified in section 354B.23, subdivision 1, applied to the difference between the amount of salary actually received during the sabbatical leave and the ~~amount of~~ full-time salary ~~actually received for a comparable period of an identical length to~~ the member would have received if not on sabbatical leave ~~that occurred during the fiscal year immediately preceding the sabbatical leave~~.

(b) Any ~~optional~~ additional member contribution must be made ~~before the last day of the fiscal year next following the fiscal year in which the sabbatical leave terminates. The optional additional member contribution may not include interest~~ through payroll deduction as though the member were employed full-time.

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(c) When an ~~optional~~ additional member contribution is made, the employing unit must make the employer contribution at the rate ~~set forth~~ specified in section 354B.23, subdivision 3, on the salary that was the basis for the ~~optional~~ additional member contribution under paragraph (a).

(d) An employer contribution required under this section must be made no later than 60 days after the date on which the optional additional member contribution was made.

Sec. 9. Minnesota Statutes 1998, section 354B.25, subdivision 2, is amended to read:

Subd. 2. [~~ANNUITY CONTRACTS AND CUSTODIAL ACCOUNTS~~ INVESTMENT OPTIONS.] ~~(a)~~ The plan administrator shall arrange for the purchase of ~~fixed annuity contracts, variable annuity contracts, a combination of fixed and variable annuity contracts, or custodial accounts from financial institutions which have been selected by the state board of investment under subdivision 3, as the investment vehicle for the retirement coverage of plan participants and to provide retirement benefits to plan participants. Custodial accounts from financial institutions shall include open-end investment companies registered under the federal Investment Company Act of 1940, as amended~~ investment products.

~~(b)~~ The ~~annuity contracts or accounts~~ investment products must be purchased with contributions under section 354B.23 or with money or assets otherwise provided by law by authority of the board ~~and deemed acceptable by the applicable financial institution~~.

~~(c) In addition to contracts and accounts from financial institutions,~~ The Minnesota supplemental investment fund established under section 11A.17 and administered by the state board of investment is one of the investment ~~options~~ products for the individual retirement account plan. Direct access must also be provided to lower expense and no load mutual funds, as those terms are defined by the federal securities and exchange commission, including stock funds, bond funds, and balanced funds. Other investment products or combination of investment products which may be included are:

(1) savings accounts at federally insured financial institutions;

(2) life insurance contracts, fixed and variable annuity contracts from companies that are subject to regulation by the commerce commissioner;

(3) investment options from open ended investment companies registered under the federal Investment Company Act of 1940, United States Code, title 15, sections 80a-1 to 80a-64;

(4) investment options from a firm that is a registered investment advisor under the federal Investment Advisors Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21; and

(5) investment options of a bank as defined in United States Code, title 15, section 80b-2, subsection (a), paragraph 2, or a bank holding company as defined in the Bank Holding Company Act of 1956, United States Code, title 12, section 1841, subsection (a), paragraph (1).

Sec. 10. Minnesota Statutes 1998, section 354B.25, subdivision 3, is amended to read:

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] (a) The ~~financial institutions~~ investment options provided for under subdivision 2 must be selected by the state board of investment. ~~Financial institutions include open-end investment companies registered under the federal Investment Company Act of 1940, as amended.~~

~~(b) The state board of investment may select up to five financial institutions to provide annuity contracts, custodial accounts, or a combination, as investment options for the individual retirement account plan in addition to the Minnesota supplemental investment fund.~~ In making its selection, at a minimum, the state board of investment shall consider ~~at least~~ the following:

(1) the experience and ability of the financial institution to provide ~~retirement and death~~ benefits and products that are suited to meet the needs of plan participants;

(2) the relationship of those ~~retirement and death~~ benefits and products provided by the financial institution to their cost; ~~and~~

(3) the financial strength and stability of the financial institution; and

(4) the fees and expenses associated with the investment products in comparison to other products of similar risk and rates of return.

~~(c)~~ (b) After selecting a financial institution, the state board of investment must periodically review each financial institution ~~selected under paragraph (b)~~ and the offered products. The periodic review must occur at least every three years. In making its review, the state board of investment may retain appropriate consulting services to assist it in its periodic review, establish a budget for the cost of the periodic review process, and charge a proportional share of these costs to the reviewed financial institution.

~~(d)~~ (c) Contracts with financial institutions under this section must be executed by the board and must be approved by the state board of investment before execution.

~~(c)~~ (d) The state board of investment shall also establish policies and procedures under section 11A.04, clause (2), to carry out the provisions of this subdivision.

Sec. 11. Minnesota Statutes 1998, section 354B.25, subdivision 5, is amended to read:

Subd. 5. [INDIVIDUAL RETIREMENT ACCOUNT PLAN ADMINISTRATIVE EXPENSES.] (a) The reasonable and necessary administrative expenses of the individual retirement account plan ~~must~~ may be ~~paid by~~ charged to plan participants by the plan sponsor in the ~~following manner:~~

~~(1) from plan participants with amounts invested in the Minnesota supplemental investment fund, the plan administrator may charge an administrative expense assessment in an amount such that annual total fees charged for plan administration cannot exceed 40/100 of one percent of the assets of the Minnesota supplemental investment funds; and~~

~~(2) from plan participants with amounts through annuity contracts and custodial accounts purchased under subdivision 2, paragraph (a), the plan administrator may charge an administrative expense assessment of a designated amount, not to exceed two percent of member and employer contributions, as those contributions are made~~ form of an annual fee, an asset based fee, a percentage of the contributions to the plan, or a combination thereof.

(b) Any administrative expense charge that is not actually needed for the administrative expenses of the individual retirement account plan must be refunded to member accounts.

(c) The board of trustees shall report annually, before October 1, to the advisory committee created in subdivision 1a on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

Sec. 12. [354B.31] [IRAP PART-TIME TEACHER MOBILITY PROGRAM.]

Subdivision 1. [PARTICIPATION REQUIREMENTS.] A faculty member who has three years or more of service in the Minnesota state colleges and universities system, by agreement with the board or with the authorized representative of the board, may be assigned to

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teaching service in a part-time teaching position under subdivision 2.

Subd. 2. [PART-TIME TEACHING POSITION; DEFINED.] For purposes of this section, "part-time teaching position" means a teaching position within the Minnesota state colleges and universities system in which the teacher is employed for at least 50 full days or a fractional equivalent as prescribed in section 354.091, and for which the faculty member is compensated in an amount not exceeding 80 percent of the compensation established by the board for a full-time faculty member with identical education and experience with the employing unit.

Subd. 3. [RETIREMENT CONTRIBUTIONS.] A faculty member assigned to a part-time position under this section shall continue to make employee contributions to the individual retirement account plan during the period of part-time employment on the same basis and in the same amounts as would have been paid if the person had been employed on a full-time basis provided that, prior to June 30 each year the member and the board make that portion of the required employer contribution to the plan, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the person had been employed on a full-time basis and the amount of compensation actually received by the person for the services rendered in the part-time assignment. The employing unit shall make that portion of the required employer contributions to the plan on behalf of the person that is based on the amount of compensation actually received by the person for the services rendered in the part-time assignment. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354B.23. Employee contributions for part-time teaching service pursuant to this section shall not continue for more than ten years.

Subd. 4. [OTHER MEMBERSHIP PRECLUDED.] A faculty member entitled to make employee contributions for part-time teaching service pursuant to this section shall not be entitled during the same period of time to be a member of, accrue allowable service credit in or make employee contributions to any other Minnesota public employee pension plan, except a volunteer firefighters relief association governed by sections 69.771 to 69.776.

Subd. 5. [INSURANCE.] If the board enters into an agreement authorized by this section, the board shall continue any insurance programs furnished or authorized a full-time teacher on an identical basis and with identical sharing of costs for a part-time teacher pursuant to this section. However, the requirements of this subdivision may be modified by a collective

bargaining agreement between a board and an exclusive representative pursuant to chapter 179A. Teachers as defined in section 136F.43 employed on a less than 75 percent time basis pursuant to this section are eligible for state paid insurance benefits as if the teachers were employed full-time.

Subd. 6. [ELIGIBILITY FOR CREDIT.] Only teachers who are public employees as defined in section 179A.03, subdivision 14, during the school year preceding the period of part-time employment pursuant to this section qualify for employee contributions to the retirement plan for part-time teaching service under subdivision 4. Notwithstanding section 179A.03, subdivision 14, clauses (e) and (f), teachers who are employed on a part-time basis for purposes of this section and who would therefore be disqualified from the bargaining unit by one or both of those provisions, continue to be in the bargaining unit during the period of part-time employment under this section for purposes of compensation, fringe benefits, and the grievance procedure.

Subd. 7. [BOARD POWER NOT RESTRICTED.] This section does not limit the authority of the board to assign a teacher to a part-time teaching position which does not qualify for full accrual of service credit from and employee contributions to the retirement fund under this section.

Subd. 8. [SUBSTITUTE TEACHING.] Subdivision 4 does not prohibit a teacher who qualifies for full accrual of service credit from and employee contributions to the retirement fund pursuant to this section in any year from being employed as a substitute teacher by any school district during that year. Notwithstanding sections 354.091 and 354.42, a teacher may not qualify for full accrual of service credit from and employee contributions to the retirement fund for other teaching service rendered for any part of any year for which the teacher qualifies for employee contributions to the retirement plan pursuant to this section.

Sec. 13. Minnesota Statutes 1998, section 354C.12, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE EXPENSES.] (a) The board of trustees of the Minnesota state colleges and universities is authorized to pay the necessary and reasonable administrative expenses of the supplemental retirement plan and may bill participants to recover these expenses. The administrative fees or charges ~~must~~ may be ~~paid by~~ charged to participants ~~in the following manner:~~ as an annual fee, an asset based fee, a percentage of contributions to the plan, or a

contribution thereof.

~~(1) from participants whose contributions are invested with the state board of investment, the plan administrator may recover administrative expenses in the manner authorized by the Minnesota state colleges and universities in an amount such that annual total fees charged for plan administration cannot exceed 40/100 of one percent of the assets of the Minnesota supplemental investment funds; or~~

~~2) from participants where contributions are invested through contracts purchased from any other authorized source, the plan administrator may assess an amount of up to two percent of the employee and employer contributions.~~

(b) Any recovered or assessed amounts that are not needed for the necessary and reasonable administrative expenses of the plan must be refunded to member accounts.

(c) The board of trustees shall report annually, before October 1, to the advisory committee created in section 354B.25, subdivision 1a, on administrative expenses of the plan. The report must include a detailed accounting of charges for administrative expenses collected from plan participants and expenditure of the administrative expense charges. The administrative expense charges collected from plan participants must be kept in a separate account from any other funds under control of the board of trustees and may be used only for the necessary and reasonable administrative expenses of the plan.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective on July 1, 1999.

K-12 EDUCATION OMNIBUS FUNDING BILL
H.F. 2333 (Chapter 241)

Section	ARTICLE 2 SPECIAL PROGRAMS	Language Page
60	**Appropriations** Subdivision 6. Indian Teacher Preparation Grants. (c) This paragraph Funds up to $40,000 each year for a joint grant to assist teacher Preparation for Indians: (1) Bemidji State University and Independent School District No. 38, Red Lake; (2) Moorhead State University and a school district located within the White Earth Reservation; (3) Augsburg College and Independent School District 625 in St. Paul and Special School District No. 1 in Minneapolis.	123

Section	ARTICLE 9 EDUCATION POLICY	Language Page
7	**Board of Teaching**. Amending M.S. 122A.06, Subd. 7(c), this section provides new language specifying that upon the request of a post-secondary student preparing for licensure the Board of Teaching shall assist in resolving disputes between student teachers and the college or university when the dispute involves the college or university recommendations for licensure of the teacher or affecting the teachers credentials. The parties may use the Chapter 14 administrative procedure act to resolve the dispute. The effective date for the Board of Teaching to adopt rules for teacher examination on general pedagogical knowledge and licensure-specific teaching skill is extended from July 1, 1999 to September 1, 2000.	123
8	**Board of Teaching Licensure**. Amending M.S. 122A.18, Subd. 10, this new language requires that all colleges and universities approved by the Board of Teaching to prepare classroom teachers for licensure must include in their teacher preparation programs, reading best practices that enable teachers to know how to teach reading, such as phonics or other research-based best practices.	124
31	**Survey of Districts**. The Commissioner of Children, Families, and Learning shall survey the school districts in order to determine the status of the teacher shortage. The report must also include a status report on progress districts are making in hiring teachers and substitutes in the areas of shortage.	124

47 **Alternative Pathways for Teacher Preparation**. This new program is established to enable school districts, in collaboration with accredited teacher preparation institutions, to offer undergraduate and graduate teacher preparation opportunities. While applicants for grants to fund this program are school districts, the districts are expected to collaborate with college and university teacher training programs. The district may select the teacher training program that best fits its goals. The program may be used to assist the district teacher training by placing student teachers in preschool, and K-12 classrooms or other education settings (including mentoring) under the supervision of a licensed classroom teacher. Participation may also involve parent/community groups, teacher organizations and business groups and participants are encouraged to develop program components that engage nontraditional teacher preparation students. Teacher or staff exchanges agreed to under terms of the program must not violate any term or condition of the district's collective bargaining agreement. Applications for this program are made to the Commissioner of CFL. Colleges and universities participating in the program must provide the instructional costs of educating students in their programs and may charge the students the costs of tuition. The CFL Commissioner must engage an independent qualified expert to evaluate the impact of the program and report to the Legislature by February 15, 2005. 124

53 **Appropriations**. Subd. 2. Appropriates $100,000 for start up costs for the Alternative Pathways program. **NOTE: THIS APPROPRIATION WAS VETOED BY THE GOVERNOR.** 127

HIGHER EDUCATION OMNIBUS FUNDING BILL
Chapter 214 (H.F. 2380)

ARTICLE 2 - SPECIAL PROGRAMS

Section 60. [APPROPRIATIONS.]

Subd. 6. [INDIAN TEACHER PREPARATION GRANTS.] (a) For joint grants to assist Indian people to become teachers:

$190,000 2000

$190,000 2001

(b) Up to $70,000 each year is for a joint grant to the University of Minnesota at Duluth and independent school district No. 709, Duluth.

(c) Up to $40,000 each year is for a joint grant to each of the following:

(1) Bemidji state university and independent school district No. 38, Red Lake;

(2) Moorhead state university and a school district located within the White Earth reservation; and

(3) Augsburg college, independent school district No. 625, St. Paul, and special school district No. 1, Minneapolis.

(d) Money not used for students at one location may be transferred for use at another location.

(e) Any balance in the first year does not cancel but is available in the second year.

ARTICLE 9 - EDUCATION POLICY

Section 7, Subd. 4 [LICENSE AND RULES.]

(c) The board must adopt rules to approve teacher preparation programs. The board, upon the request of a post-secondary student preparing for teacher licensure or a licensed graduate of a teacher preparation program shall assist in resolving a dispute between the person and a post-secondary institution providing a teacher preparation program when the dispute involves an institution's recommendation for licensure affecting the person or the person's credentials. At the board's discretion, assistance may include the application of chapter 14.

(e) The board must adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board, but not later than ~~July 1, 1999~~ September 1, 2001.

Sec. 8. Minnesota Statutes 1998, section 122A.18, is amended by adding a subdivision to read:

Subd. 10. [READING STRATEGIES.] All colleges and universities approved by the board of teaching to prepare persons for classroom teacher licensure must include in their teacher preparation programs reading best practices that enable classroom teacher licensure candidates to know how to teach reading, such as phonics or other research-based best practices.

Sec. 31. [127A.25] [SURVEY OF DISTRICTS.]

The commissioner of children, families, and learning shall survey the state's school districts and report to the education committees of the legislature by January 15 of each odd-numbered year on the status of the teacher shortage and the substitute teacher shortage, including shortages in subject areas and regions of the state. The report must also include how districts are making progress in hiring teachers and substitutes in the areas of shortage.

Sec. 47. [ALTERNATIVE PATHWAYS FOR TEACHER PREPARATION.]

Subdivision 1. [ESTABLISHMENT.] A program is established to allow Minnesota school districts, in collaboration with accredited teacher preparation institutions, to offer undergraduate and graduate teacher preparation opportunities. The program must provide teacher preparation opportunities that effectively address the needs of different types of schools, students, and teachers.

Subd. 2. [ELIGIBILITY; PROGRAM USES; EMPLOYMENT TERMS.] (a) An applicant under this program must be a school district. The school district must collaborate with an accredited teacher preparation program and an exclusive representative of the teachers in the district. The program must be used to assist in improving teacher preparation by placing teacher education students in preschool, elementary, and secondary classrooms or other education settings under the supervision of a licensed classroom teacher.

(b) Each school district participating in this program may select the teacher preparation model that best promotes understanding the needs of each educational system or institution. For example:

(1) a public school educator may teach courses that assist in preparing future educators or take professional development courses; or

(2) a post-secondary teacher may teach courses at the school district or mentor student teachers. Participation is not limited to one school or institution and may involve other participants, including parent/community groups, teacher organizations, and business groups. Participating schools and institutions are encouraged to develop program components that engage nontraditional teacher preparation students.

(c) Temporary placements made under this program must not have a negative effect on participants' salaries, seniority, or other benefits. Specifically, temporary placements of teachers may not displace or cause any reduction in the number of nonovertime hours worked, wages, or benefits of a currently employed teacher. Notwithstanding Minnesota Statutes, sections 122A.16 and 123B.02, subdivision 14, a member of the staff of a post-secondary institution may teach in a preschool, elementary school, secondary school, or other education settings, or perform a service agreed upon under this section for which a license would otherwise be required without holding the applicable license. In addition, a licensed educator employed by a school district may teach or perform a service, agreed upon under this section, at a post-secondary institution without meeting the applicable qualifications of the post-secondary institution. A district is not subject to Minnesota Statutes, section 127A.43, as a result of entering into an agreement according to this section that enables a post-secondary educator to teach or provide services in the district. All arrangements and details regarding an exchange must be mutually agreed to by each participating school district and post-secondary institution before implementing the exchange and must not violate any term or condition of the participating school district's collective bargaining agreement.

(d) An educator who held a temporary position or an exchanged position under this section must be continued in or restored to the position previously held, or to a position of like seniority, status, and pay upon return. Retirement benefits under an employer-sponsored pension or retirement plan must not be reduced because of time spent on an exchange or temporary position under this section.

(e) An educator who is continued in or restored to a position under paragraph (d):

(1) must be continued or restored without loss of seniority; and

(2) may participate in insurance or other benefits offered by the employer under its established rules and practices.

Subd. 3. [APPLICATION PROCESS.] To participate in this program, a school district must submit an application to the commissioner of children, families, and learning in the form and manner established by the commissioner. The application must describe how the applicant will improve teacher education by providing undergraduate or graduate teacher preparation opportunities in order to effectively address the needs of different types of schools, students, and teachers, and how the applicant will use technology to implement the program. The commissioner may require additional information from an applicant.

Subd. 4. [PROGRAM PARTICIPANTS; MONETARY AWARDS.] (a) When selecting program participants, the commissioner must determine:

(1) whether an applicant has met the requirements of this section;

(2) whether the location of a program is particularly suitable for realizing the purpose of this section;

(3) the number of teacher candidates, teachers, and students who would participate in the program;

(4) the ability of the applicant to demonstrate the positive effect of the existing program on students enrolled in a participating school district by using standardized test scores, the rate at which students pass the state's reading, math, and writing basic skills test, or other valid and reliable assessment measures;

(5) whether public post-secondary institutions with board of teaching approved teacher preparation programs and other organizations representing parents, business interests, and community interests are integral participants in the proposed program;

(6) whether the program addresses the shortage of teachers in any areas identified by the commissioner of children, families, and learning; and

(7) the ability of the applicant to provide information about the program to interested school districts and post-secondary institutions.

(b) The commissioner may select applicants to participate in this program for the 1999-2000 school year and later. Participants must be located throughout the state. The commissioner must provide one-time start-up costs of up to $20,000 per participating site.

Subd. 5. [POST-SECONDARY INSTITUTION FUNDING.] Notwithstanding other law to the contrary, and consistent with subdivision 6, a post-secondary institution participating in this program must provide the instructional costs of educating students in teacher preparation

programs and may charge the students the costs of tuition.

Subd. 6. [PARTICIPANTS' FEES.] A school district participating in this program may charge reasonable fees to a student in a teacher preparation program placed in a preschool, elementary, or secondary classroom to receive teacher training.

Subd. 7. [EVALUATION.] The commissioner must contract with an independent qualified expert to evaluate the impact of the program on teacher efficacy and student performance and present a report to the commissioner and the education committees of the legislature by February 15, 2005.

Section 53. [APPROPRIATIONS.] **VETOED BY THE GOVERNOR**

Subd. 2. [ALTERNATIVE PATHWAYS FOR TEACHER PREPARATION.] For providing program participants under section 58 with start-up costs:

$100,000 2000

This appropriation is available until June 30, 2001.

The commissioner shall award a $20,000 grant to independent school district No. 138, North Branch, if the district meets the requirements of the program.

ECONOMIC DEVELOPMENT OMNIBUS BILL
H.F. 2390 (Chapter 223)

Section	ARTICLE 1 APPROPRIATIONS	Language Page
2	**Trade & Economic Development. Subd. 2. Business & Community Development**. The following amounts are appropriated in this subdivision: --$28,140,000 for the Job Skills Partnership Program. --$1,000,000 for a one-time appropriation to the Pathways Program. --$200,000 for a one-time grant to the Rural Policy and Development Center for operation of the Center. --$530,000,000 for grants to the WomenVenture Program to encourage and assist women to enter nontraditional careers in the trades and technical occupations. --$450,000 to the City of Duluth for a one-time appropriation for the Duluth Technology Village.	131
4	**Economic Security. Subd. 4. Workforce Preparation**. Appropriates $1,500,000 for job training programs.	132

Section	ARTICLE 2 MISCELLANEOUS	Language Page
19	**Rural Policy & Development Center. Governance**. This section adds an additional member to the Board who will represent the general public. The Center is housed at Minnesota State University, Mankato.	132
20	**Rural Policy & Development Center. Duties**. This section requires the Center to research and identify present and emerging social issues for rural Minnesota.	133
21	**Rural Policy & Development Center. Use of Appropriation**. This section clarifies that both the endowment fund and the State appropriation for the Center may be expended for administration of the Center and to carry out its statutory duties at the discretion of the Board.	133
22	**Rural Policy & Development Center. Board Compensation and Other Funds**. This section provides for per diem compensation for Board members of the Center for Rural Policy.	133
30	**Pathways Program**. This section eliminates reference to administrators of the Job Training Partnership Act (JTPA). The JTPA Act is replaced at the Federal level by the WIA (Workforce Investment Act.) Grants limits are increased to $400,000.	133

37	**Youthbuild Tech**. This section establishes a pilot program to provide training for people who have already participated in a Youthbuild. Programs funded must provide participants with the knowledge and skills necessary to obtain entry-level jobs in the computer industry, including core computer classes and job-specific education.	134
73	**Pipestone Indian School Authorization**. This section provides that MnSCU may convey the State's interest in the historic Pipestone Indian school superintendent's house and gymnasium at the Pipestone campus of Minnesota West Community and Technical College.	135

Section	ARTICLE 3 WORKFORCE DEVELOPMENT AND TRAINING	Language Page
1-2	**Job Skills Partnership Board**. These sections increase the membership on the Board to 12 and requires that two of the appointed members must be representatives of organized labor.	135
4	**Comprehensive Workforce Development Analysis**. This section requires that the Commissioner of the Department of Economic Security, Commissioner of Trade and Economic Development, the Chancellor of MnSCU, and the Director of the Office of Strategic and Long-Range Planning conduct a multi-agency study of strategic consolidation of workforce training in the State and submit a report to the Governor and the Legislature by January 15, 2000. The study is to identify workforce training programs administered by State agencies and recommend any changes or consolidations which would serve to encourage the growth of high-skill, high-wage jobs while ensuring that the State has an adequate number of workers with the skills necessary to succeed in those jobs.	135
6	**Workforce Development Fund**. The Workforce Investment Fund is renamed the Workforce Development Fund and is its successor in interest.	136

ECONOMIC DEVELOPMENT OMNIBUS BILL
Chapter 223 (H.F. 2390)

ARTICLE 1 - APPROPRIATIONS

	APPROPRIATIONS Available for the Year Ending June 30	
	2000	2001
Section 2. Trade & Economic Development		
Subd. 2. Business & Community Development		
$14,067,000 the first year and $14,073,000 the second year are for the job skills partnership program. If the appropriation for either year is insufficient, the appropriation for the other year is available. Of this appropriation, $10,000,000 in each year is a one-time appropriation from the workforce development fund. It is the intention of the legislature that this program base funding be $5,931,000 per year in the 2002-2003 biennium. This appropriation does not cancel.		
$500,000 the first year and $500,000 the second year are one-time appropriations from the workforce development fund for the pathways program.		
$200,000 the first year is for a one-time grant to the board of the rural policy and development center for operation of the center. This appropriation is available as matched in cash on a dollar-for-dollar basis from nonstate sources.		
$265,000 the first year and $265,000 the second year are for grants to WomenVenture. WomenVenture must implement a program to encourage and assist women to enter nontraditional careers in the trades and technical occupations. The program shall consist of outreach to women and girls and training, job placement, and job retention support that meet women's specific needs. The program must be accessible to low-income working mothers, including MFIP recipients.		

$450,000 is for a grant to the city of Duluth to support the development of the Duluth Technology Village. The grant shall be used to establish international partnerships, attract software businesses, recruit and train workers for the software industry, and support a software business incubator facility. This is a one-time appropriation and is not part of the agency base budget. This appropriation is not available unless matched by nonstate money.

Section 4. Economic Security
Subd. 4. Workforce Preparation

$775,000 the first year and $775,000 the second year are for job training programs under Minnesota Statutes, sections 268.60 to 268.64. This appropriation is from the workforce development fund.

ARTICLE 2 - MISCELLANEOUS

Section 19. Minnesota Statutes 1998, section 116J.421, subdivision 2, is amended to read:

Subd. 2. [GOVERNANCE.] The center is governed by a board of directors appointed to six-year terms by the governor comprised of:

(1) a representative from each of the two largest statewide general farm organizations;

(2) a representative from a regional initiative organization selected under section 116J.415, subdivision 3;

(3) the president of Mankato State University;

(4) a representative from the general public residing in a town of less than 5,000 located outside of the metropolitan area;

(5) a member of the house of representatives appointed by the speaker of the house and a member of the senate appointed by the subcommittee on committees of the senate committee on rules and administration appointed for two-year terms;

(6) three representatives from business, including one representing rural manufacturing and one rural retail and service business;

(7) three representatives from private foundations with a demonstrated commitment to rural issues;

(8) one representative from a rural county government; and

(9) one representative from a rural regional government.

The board shall appoint one additional member to the board of directors who shall represent the general public.

Sec. 20. Minnesota Statutes 1998, section 116J.421, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The center shall:

(1) research and identify present and emerging social and economic issues for rural Minnesota, including health care, transportation, crime, housing, and job training;

(2) forge alliances and partnerships with rural communities to find practical solutions to economic and social problems;

(3) provide a resource center for rural communities on issues of importance to them;

(4) encourage collaboration across higher education institutions to provide interdisciplinary team approaches to problem solving with rural communities; and

(5) involve students in center projects.

Sec. 21. Minnesota Statutes 1998, section 116J.421, is amended by adding a subdivision to read:

Subd. 6. [USE OF APPROPRIATION.] State appropriations to the board, whether from the general fund or the rural policy and development fund, may, at the discretion of the board, be expended for administration of the center and to carry out its duties under this section or under other law.

Sec. 22. Minnesota Statutes 1998, section 116J.421, is amended by adding a subdivision to read:

Subd. 7. [BOARD COMPENSATION.] Compensation and expense reimbursement of board members is as provided in section 15.0575, subdivision 3.

Sec. 30. Minnesota Statutes 1998, section 116L.04, subdivision 1a, is amended to read:

Subd. 1a. [PATHWAYS PROGRAM.] The pathways program may provide grants-in-aid for developing programs which assist in the transition of persons from welfare to work. The program is to be operated by the board. The board shall consult and coordinate with ~~the Job Training Partnership Act, Title II-A,~~ program administrators at the department of economic security to design and provide services for temporary assistance for needy families recipients.

Pathways grants-in-aid may be awarded to educational or other nonprofit training institutions for education and training programs that serve public assistance recipients transitioning from public assistance to employment.

Preference shall be given to projects that:

(1) provide employment with benefits paid to employees;

(2) provide employment where there are defined career paths for trainees;

(3) pilot the development of an educational pathway that can be used on a continuing basis for transitioning persons from public assistance directly to work; and

(4) demonstrate the active participation of department of economic security workforce centers, Minnesota state college and university institutions and other educational institutions, and local welfare agencies.

Pathways projects must demonstrate the active involvement and financial commitment of private business. Pathways projects must be matched with cash or in-kind contributions on at least a one-to-one ratio by participating private business.

A single grant to any one institution shall not exceed ~~$200,000~~ $400,000.

The board shall annually, by March 31, report to the commissioners of economic security and trade and economic development on pathways programs, including the number of public assistance recipients participating in the program, the number of participants placed in employment, the salary and benefits they receive, and the state program costs per participant.

Sec. 37. [268.368] [YOUTHBUILD TECH.]

Subdivision 1. [GENERALLY.] A pilot program is established within the department to make grants to eligible organizations for programs which are available to students who have completed at least four months in a program funded under section 268.362. Programs funded under this section must provide participants with the knowledge and skills necessary to obtain entry-level jobs in the computer industry, including core computer classes and job-specific education.

Subd. 2. [GRANTS.] The provisions of section 268.361; 268.362, subdivision 2; 268.3625; and 268.366 shall apply to grants under this section.

Sec. 73. [PIPESTONE INDIAN SCHOOL AUTHORIZATION.]

Notwithstanding Minnesota Statutes, section 16A.695, the board of trustees of the Minnesota state colleges and universities may convey by quitclaim deed, at no cost, the state's interest in the historic Pipestone Indian school superintendent's house and gymnasium at the Pipestone campus of Minnesota West community and technical college. The conveyance shall be in a form approved by the attorney general.

The deed must reserve to the state all minerals and mineral rights and provide that the property shall revert to the state if the grantee:

(1) fails to provide the use intended on the property;

(2) allows a public use other than the use agreed to by the board without the written approval of the board; or

(3) abandons the use of the property.

ARTICLE 3 - WORKFORCE DEVELOPMENT AND TRAINING

Section 1. Minnesota Statutes 1998, section 116L.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The partnership shall be governed by a board of ~~11~~ 12 directors.

Sec. 2. Minnesota Statutes 1998, section 116L.03, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] The Minnesota job skills partnership board consists of: ~~eight~~ nine members appointed by the governor, the commissioner of trade and economic development, the commissioner of economic security, and the chancellor, or the chancellor's designee, of the Minnesota state colleges and universities. If the chancellor makes a designation under this subdivision, the designee must have experience in technical education. Two of the appointed members must be representatives from organized labor.

Sec. 4. [COMPREHENSIVE WORKFORCE DEVELOPMENT ANALYSIS.]

The commissioner of the department of economic security, the commissioner of trade and economic development, the chancellor of the Minnesota state colleges and universities, and the director of the Minnesota office of strategic and long-range planning shall conduct a multi-agency study of strategic consolidation of workforce training in the state and submit their

report to the governor and the legislature by January 15, 2000. The purpose of the study is to identify workforce training programs administered by state agencies and to recommend any program changes or consolidations which would serve to encourage the growth of high-skill, high-wage jobs while ensuring that the state has an adequate number of workers with the skills necessary to succeed in those jobs. The study will address the extent to which consolidations or program changes would achieve the following objectives:

(1) effective and efficient training, retraining, and upgrading of the workforce to succeed in high-skill, high-wage jobs;

(2) encouragement to those not currently in the workforce to enter or reenter the labor market;

(3) increasing access to information about jobs and the labor market;

(4) facilitation of efficient job placement;

(5) encouragement and facilitation of productivity enhancements in the public and private sectors.

Sec. 6. [WORKFORCE DEVELOPMENT FUND; SUCCESSOR IN INTEREST.]

The workforce development fund is a renaming of the workforce investment fund and all money in the workforce investment fund shall be transferred to the workforce development fund.

EMPLOYMENT AND TRAINING DATA COLLECTION
H.F. 1051 (Chapter 138)

Section		Language Page
1	**Program Reporting**. This bill requires the Commissioner of Economic Security to collect information about employment and training programs that receive State or Federal funds and to report that information to the legislature in conjunction with the Governor's Workforce Development Council. The report is due by January 31, 2000. The information to be collected includes general information about the program's policies, operations, costs, and funding sources. Further, it includes measures of the program's effectiveness in placing participants in jobs within certain time frames and at certain wage levels. MnSCU will be participating in the data collection efforts.	139

EMPLOYMENT AND TRAINING DATA COLLECTION
Chapter 138 (H.F. 1051)

A bill for an act

relating to employment; requiring the commissioner of economic security to collect certain information about employment and training programs.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [PROGRAM REPORTING.]

By January 31, 2000, the commissioner of economic security shall collect the following information regarding each employment and training program funded wholly or partly with state or federal funds, and, in conjunction with the governor's workforce development council, shall report the results to the legislature:

(1) a brief description of the program, including a mission statement, a list of goals, and information on services provided by the organization;

(2) a brief statement that demonstrates the need for the program (e.g., the program serves a targeted population with needs unmet by other employment and training organizations, or provides services in an area with high unemployment rates and poor access to other training organizations);

(3) the number of participants served in a year and the percentage that successfully complete the program;

(4) the per participant cost, per placement cost, annual total cost of the program, and annual administrative cost. The cost information must be for the most recent year of operation, and must include an explanation of what expenses are being characterized by each program as administrative costs;

(5) a list of all state and federal funding sources including the amount awarded and the name of the government agency;

(6) the percentage of trainees with earnings in the following categories: (i) $13.26 per hour and above; (ii) from $9.76 per hour to $13.25 per hour; (iii) from $7.76 per hour to $9.75 per hour; (iv) from $6.51 per hour to $7.75 per hour; (v) from $5.26 per hour to $6.50 per hour; and (vi) $5.25 per hour and below. The department must tabulate data from the most recent year of operation;

(7) the percentage of participants who find jobs immediately after program completion, and the percentage of those participants who retain jobs for one year after program completion

and three years after program completion;

(8) the percentage of participants who do not find jobs immediately after program completion, and the percentage of those participants who have jobs one year after program completion and three years after program completion;

(9) the average gain in earnings immediately after program completion, six months after program completion, one year after program completion, and three years after program completion, including any comparative data the organization may have regarding differences between individuals who did and did not receive training;

(10) descriptions of any other goals, including community and business-oriented matters, that the organization pursues, along with any supporting data the organization has to measure its success in achieving these goals, including any comparative data the organization may have regarding differences between individuals who did and did not receive training; and

(11) the number and types of employment and training vendors used in the program and the method used by the program to evaluate the vendors' effectiveness.

DATA PRACTICES OMNIBUS BILL
S.F. 653 (Chapter 227)

Section	ARTICLE 1	Language Page
4	**Private Education Data; When Disclosure is Permitted**. Amends M.S. 13.32, Subd. 3 by making technical changes by striking language that limits disclosures authorized under Federal law to regulations in effect on July 1, 1993. Paragraph (k) authorizes disclosure of educational data for purposes of providing access to certain data on college and university students by military recruiters as required by the Federal Solomon Amendment.	143
7	**Employment and Training Data**. Amending M.S. 13.47, this section allows data sharing to implement the Federal Workforce Investment Act of 1998. This section makes it possible for MnSCU to supply the data anticipated in Chapter 138 the Department of Economic Security employment and training data collection.	144
21	**Report of Data Practices laws**. This section requires government entities, including MnSCU to give the Revisor of Statutes a list of data practices laws coded outside Chapter 13 that are not already included in the cross reference section. The Revisor will use this in recodifying Chapter 13. This list is due to the Revisor no later than September 1, 1999.	145
22	**Data Practices Law Recodification**. This section requires the Revisor of Statutes to reorganize Chapter 13 and other data practices laws by service areas and include the recodification in the 2000 edition of the Statutes. The recodification is being undertaken to give users quick access to data practices laws and make it easier to locate references to data law coded outside Chapter 13.	145

DATA PRACTICES OMNIBUS BILL
Chapter 227 (S.F. 653)

Sec. 4. Minnesota Statutes 1998, section 13.32, subdivision 3, is amended to read:

Subd. 3. [PRIVATE DATA; WHEN DISCLOSURE IS PERMITTED.] Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

(a) Pursuant to section 13.05;

(b) Pursuant to a valid court order;

(c) Pursuant to a statute specifically authorizing access to the private data;

(d) To disclose information in health and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal Regulations, title 34, section 99.36 ~~which are in effect on July 1, 1993~~;

(e) Pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3) and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, and 99.35 ~~which are in effect on July 1, 1993~~;

(f) To appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;

(g) When disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, chapter 1092~~, in effect on July 1, 1993~~;

(h) To the appropriate school district officials to the extent necessary under subdivision 6, annually to indicate the extent and content of remedial instruction, including the results of assessment testing and academic performance at a post-secondary institution during the previous academic year by a student who graduated from a Minnesota school district within two years before receiving the remedial instruction;

(i) To appropriate authorities as provided in United States Code, title 20, section 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the system to effectively serve, prior to adjudication, the student whose records are released; provided that the authorities to whom the data are released submit a written request for the data that certifies that the data will not be disclosed to any other person except as authorized by law without the written

consent of the parent of the student and the request and a record of the release are maintained in the student's file; or

(j) To volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;

(k) To provide student recruiting information, from educational data held by colleges and universities, as required by and subject to Code of Federal Regulations, title 32, section 216; or

(l) To the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals.

Sec. 7. Minnesota Statutes 1998, section 13.47, is amended to read:

13.47 [EMPLOYMENT AND TRAINING DATA.]

Subdivision 1. [DEFINITION.] (a) "Employment and training data" means data on individuals collected, maintained, used, or disseminated because an individual applies for, is currently enrolled in, or has been enrolled in employment and training programs funded with federal, state, or local resources, including those provided under the Workforce Investment Act of 1998, United States Code, title 29, section 2801.

(b) "Employment and training service provider" means an ~~administrative~~ entity certified, or seeking to be certified, by the commissioner of economic security to deliver employment and training services under section 268.0122, subdivision 3, or an organization that contracts with a certified ~~administrative~~ entity or the department of economic security to deliver employment and training services.

(c) "Provider of training services" means an organization or entity that provides training under the Workforce Investment Act of 1998, United States Code, title 29, section 2801.

Subd. 2. [CLASSIFICATION.] Employment and training data are private data on individuals.

Subd. 3. [DISSEMINATION.] Employment and training data may be disseminated by employment and training service providers:

(a) to other employment and training service providers to coordinate the employment and training services for the data subject or to determine eligibility or suitability for services from other programs;

(b) to local and state welfare agencies for monitoring the eligibility of the participant for assistance programs, or for any employment or training program administered by those agencies; and

(c) to the commissioner of economic security.

Subd. 4. [DATA PREPARATION.] To produce data required to certify the eligibility of training service providers under section 268.0122, subdivision 3, clause (7), the Workforce Investment Act of 1998, United States Code, title 29, section 2801, or other studies required by law, the commissioner of economic security, in consultation with the governor's workforce development council, may:

(1) enter into a data exchange agreement with a training service provider whereby the commissioner of economic security shall furnish to the provider wage information under section 268.044 on individuals who have received training services from the provider. The provider shall use this wage information to prepare summary data determined necessary by the commissioner in consultation with the governor's workforce development council. The provider may use this wage information for conducting studies to improve instruction; or

(2) if there is no agreement under clause (1), require the training service provider to furnish employment and training data determined necessary by the commissioner in consultation with the governor's workforce development council.

Subd. 5. [SUMMARY DATA.] The commissioner of economic security shall provide the training service providers, as well as make available to the public, summary data on the performance of the training services.

Sec. 21. [REPORT OF DATA PRACTICES LAWS.]

The responsible authority of each state agency shall prepare a list that identifies all data practices laws codified outside Minnesota Statutes, chapter 13, that are not referenced in Minnesota Statutes, section 13.99. The list must be submitted to the office of the revisor of statutes no later than September 1, 1999, so that the revisor can complete the data practices law recodification as required in section 22.

Sec. 22. [REVISOR INSTRUCTION; DATA PRACTICES LAW RECODIFICATION.]

The revisor of statutes shall reorganize Minnesota Statutes, chapter 13, to create a structure that provides users with quick access to the data practices laws codified in chapter 13.

and locates references to data practices laws codified outside chapter 13 adjacent to their particular service area codified in chapter 13. For purposes of this section, "data practice laws codified outside chapter 13" includes both laws that place restrictions on access to data and laws involving data sharing. Service areas may include government entities such as state agencies, cities, or school districts, or functional areas such as education, law enforcement, human services, or child protection. If there is no appropriate service area in chapter 13, the revisor shall recodify the provision in another logical and appropriate place in chapter 13. The revisor shall consult with the chairs of the data practices subcommittees in the house of representatives and senate, and legislative staff. The revisor shall include the data practices recodification in the 2000 edition of Minnesota Statutes.

TRANSPORTATION OMNIBUS BILL
H.F. 2387 (Chapter 238)

Section	ARTICLE 1 APPROPRIATIONS	Language Page
8	**State Roads. State Road Operation**. Paragraph (f) includes a $200,000 appropriation to the St. Cloud State University Highway Safety Center for grants for driver education.	149

TRANSPORTATION OMNIBUS BILL
Chapter 238 (H.F. 2387)

ARTICLE 1 - APPROPRIATIONS

Section 8, State Roads. State Road Operation.

(f) State Road Operations

202,431,000 205,503,000

Summary by Fund

General	100,000	100,000
Trunk Highway	202,331,000	205,403,000

$11,689,000 the first year and $11,689,000 the second year are for road equipment. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

$805,000 each year is for the Orion intelligent transportation system research project.

$100,000 the first year and $100,000 the second year are from the general fund for grants to the Minnesota highway safety center at St. Cloud State University for driver education.

ENVIRONMENT & AGRICULTURE OMNIBUS BILL
S.F. 2226 (Chapter 231)

Section	ARTICLE 1	Language Page
11	Subd. 2. **Agriculture Department Protection Services**. Appropriates $753,000 during the biennium for funding Dairy diagnostic teams. This funding, in part, benefits the MnSCU farm business management program.	153
	Subd. 4. **Agriculture Department Administration and Financial Assistance**. Appropriates $100,000 for the Passing on the Farm Center under M.S. 17.985. The appropriation must be matched with non-state money. This funding, in part, benefits the MnSCU farm business management program at Minnesota West-Granite Falls.	154

ENVIRONMENT & AGRICULTURE OMNIBUS BILL
Chapter 231 (S.F. 2226)

ARTICLE 1

Sec. 11. DEPARTMENT OF AGRICULTURE

Subd. 2. Protection Service

11,609,000 11,194,000

Summary by Fund

General	11,273,000	10,852,000
Environmental	336,000	342,000

$336,000 the first year and $342,000 the second year are from the environmental response, compensation, and compliance account in the environmental fund.

$158,000 the first year and $158,000 the second year are for payment of claims relating to livestock damaged by threatened or endangered animal species and agricultural crops damaged by elk. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

$251,000 the first year and $502,000 the second year are for dairy diagnostic teams.

$25,000 the first year and $25,000 the second year are for activities of the dairy producers board under Minnesota Statutes, section 17.76.

$100,000 the first year is to conduct a feasibility study for a joint agency laboratory that will serve the environmental laboratory needs of the department of agriculture, department of natural resources, pollution control agency, and the Minnesota department of health.

$900,000 the first year is for a grant to the University of Minnesota to pursue further research on diseases of soybeans including, but not limited to, soybean cyst nematode, white mold (sclerotinia stem rot), phytophthora root rot, and iron deficiency chlorosis. A portion of this appropriation may be designated for research on specialty gene traits of soybeans.

$100,000 is transferred from the general fund to the seed potato inspection account in the agriculture fund for the administration and enforcement of Minnesota Statutes, sections 21.80 to 21.92. This appropriation is to supplement the fees paid by seed potato growers.

Subd. 4. Administration and Financial Assistance

5,778,000 5,657,000

$175,000 the first year and $175,000 the second year must be spent for the WIC coupon program.

$49,000 the first year and $49,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 2000 or 2001.

$234,000 the first year and $236,000 the second year are for the farm advocates program.

$70,000 the first year and $70,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment and are available until spent.

$175,000 the first year and $175,000 the second year are for grants to agriculture information centers. The grants are only available on a match basis. The funds may be released at the rate of $4 of state money for each $1 of matching nonstate money that is raised.

$115,000 the first year and $115,000 the second year are for the Seaway Port Authority of Duluth.

$19,000 the first year and $19,000 the second year are for a grant to the Minnesota Livestock Breeders' Association.

50,000 the first year and $50,000 the second year are for the Passing on the Farm Center under Minnesota Statutes, section 17.985. This appropriation is available only to the extent matched with nonstate money, including in-kind contributions at the rate of one nonstate dollar for every four state dollars.

$65,000 each year is for beaver damage control grants for the purposes of Minnesota Statutes, section 17.110.

$267,000 the first year is for a pilot program to expand the concept of the Minnesota grown program pursuant to Laws 1998, chapter 401, section 6.

$1,275,000 the first year and $1,275,000 the second year are for an electronic information management system.

$50,000 the first year and $50,000 the second year are for activities related to reform of the federal milk marketing orders system and for activities opposing interstate dairy compacts. If the appropriation for either year is insufficient, the appropriation for the other year is available.

$15,000 the first year is for a study of the business climate for dairy farmers. The study must determine the impact of current trends in the dairy industry on the economic, social, and environmental conditions in rural Minnesota and the long-term viability of the dairy processing industry in Minnesota. Not later than February 15, 2000, the commissioner must report to the legislature on a proposed strategic plan to ensure the sustained viability of the dairy industry in the state.

$125,000 the first year and $125,000 the second year are for the dairy inspection account. This is a one-time appropriation. By February 15, 2000, the commissioner shall review the fairness and equity of the fee structure for dairy inspections and report the findings to the legislature.

JUDICIARY FINANCE OMNIBUS BILL
S.F. 2221 (Chapter 216)

Section	ARTICLE 1 APPROPRIATIONS	Language Page
7	**Subd. 6. Law Enforcement and Community Grants**. This paragraph appropriates $10,000 for the Commissioner of Public Safety to reconvene the task force that developed the statewide master plan for fire and law enforcement raining facilities.	159
8	**Subd. 3. Crime Victims Assistance**. Appropriates $50,000 to the Center for Applied Research and Policy Analysis at Metropolitan State University to conduct a study to assess violence in the Asian-Pacific communities and to improve the data collection practices of organizations that work with those communities. A Report is due March 1, 2000.	165
13	**Subd. 3. Juvenile Services**. Appropriates $130,000 for increased vocational educational at the Minnesota Correctional Facility-Red Wing.	166

Section	ARTICLE 4 CORRECTIONS	Language Page
12	**Selection of Vendor to Operate Educational Program at MCF-Red Wing**. Requires the Assessment for Excellence Task Force to assist the Commissioner of Administration in developing an RFP from vendors to operate the educational program at MCF-Red Wing. It requires the vendor to begin operating the program by January 1, 2000.	167

Section	ARTICLE 5 LAW ENFORCEMENT	Language Page
7	**Subdivisions 4 & 5. Vehicle Pursuits; Policies and Instruction Required**. Amending M.S. 626.8458, require the POST Board and local law enforcement agencies to establish programs for pre-service and in-service training in emergency vehicle operations and police pursuits. The required level of training is specified.	167
12	**Subd. 2. Part-time Peace Officers; Expanded Training Required**. This section requires that all persons seeking initial licensure as a part-time peace officer must successfully complete the specified training program.	169

Section	ARTICLE 6 OTHER PROVISIONS	Language Page
14	**Unauthorized Release of Animals**. This expansion of M.S. 346.56, provides an imposition of civil liability on persons who release an animal lawfully confined for science, research, commerce, or education without permission. It provides that the interruption of an experiment may result in civil liability and that the person is liable for all damage caused to property in a facility from which an animal was released.	170

JUDICIARY FINANCE OMNIBUS BILL
Chapter 216 (S.F. 2221)

ARTICLE 1 - APPROPRIATIONS

Sec. 7. PUBLIC SAFETY

Subd. 6. Law Enforcement and Community Grants

10,290,000 7,583,000

$1,000,000 the first year is for grants to pay the costs of developing or implementing a criminal justice information integration plan as described in Minnesota Statutes, section 299C.65, subdivision 6 or 7. The commissioner shall make a minimum of two grants from this appropriation.

This is a one-time appropriation. The commissioner of public safety shall consider using a portion of federal Byrne grant funds for costs related to developing or implementing a criminal justice information system integration plan as described in Minnesota Statutes, section 299C.65, subdivision 6 or 7.

$400,000 the first year is for a grant to the city of Marshall to construct, furnish, and equip a regional emergency response training center. The balance, if any, does not cancel but is available for the fiscal year ending June 30, 2001.

$10,000 the first year is for the commissioner of public safety to reconvene the task force that developed the statewide master plan for fire and law enforcement training facilities under Laws 1998, chapter 404, section 21, subdivision 3, for the purpose of developing specific recommendations concerning the siting, financing and use of these training facilities. The commissioner's report shall include detailed recommendations concerning the following issues:

(1) the specific cities, counties, or regions of the state where training facilities should be located;

(2) the reasons why a training facility should be sited in the recommended location, including a description of the public safety training needs in that part of the state;

(3) the extent to which neighboring cities and counties should be required to collaborate in funding and operating the recommended training facilities;

(4) an appropriate amount for a local funding match (up to 50 percent) for cities and counties using the training facility to contribute in money or other resources to build, expand, or operate the facility;

(5) the feasibility of providing training at one or more of the recommended facilities for both law enforcement and fire safety personnel;

(6) whether the regional or statewide need for increased public safety training resources can be met through the expansion of existing training facilities rather than the creation of new facilities and, if so, which facilities should be expanded; and

(7) any other issues the task force deems relevant.

By January 15, 2000, the commissioner shall submit the report to the chairs and ranking minority members of the house and senate committees and divisions with jurisdiction over capital investment issues and criminal justice funding and policy.

$746,000 the first year and $766,000 the second year are for personnel and administrative costs for the criminal gang oversight council and strike force described in Minnesota Statutes, section 299A.64.

$1,171,000 the first year and $2,412,000 are for the grants authorized under Minnesota Statutes, section 299A.66, subdivisions 1 and 2. Of this appropriation, $1,595,000 each year shall be included in the 2002-2003 biennial base budget.

By January 15, 2000, the criminal gang oversight council shall submit a report to the chairs and ranking minority members of the senate and house committees and divisions with jurisdiction over criminal justice funding and policy describing the following:

(1) the types of crimes on which the oversight council and strike force have primarily focused their

investigative efforts since their inception;

(2) a detailed accounting of how the oversight council and strike force have spent all funds and donations they have received since their inception, including donations of goods and services;

(3) the extent to which the activities of the oversight council and strike force overlap or duplicate the activities of the fugitive task force or the activities of any federal, state, or local task forces that investigate interjurisdictional criminal activity; and

(4) the long-term goals that the criminal gang oversight council and strike force hope to achieve. The commissioner of public safety shall consider using a portion of federal Byrne grant funds for criminal gang prevention and intervention activities to (1) help gang members separate themselves, or remain separated, from gangs; and (2) prevent individuals from becoming affiliated with gangs.

$50,000 the first year is for a grant to the Minnesota Safety Council to continue the crosswalk safety awareness campaign. The Minnesota Safety Council shall work with the department of transportation to develop a long range plan to continue the crosswalk safety awareness campaign.

$500,000 the first year is for grants under Minnesota Statutes, section 299A.62, subdivision 1. These grants shall be distributed as provided in Minnesota Statutes, section 299A.62, subdivision 2. This is a one-time appropriation.

Up to $30,000 of the appropriation for grants under Minnesota Statutes, section 299A.62, is for grants to requesting local law enforcement agencies to purchase dogs trained to detect or locate controlled substances by scent. Grants are limited to one dog per county.

$500,000 the first year is a one-time appropriation for a grant to the Ramsey county attorney's office to establish and fund the domestic assault and child abuse prosecution unit. This is a one-time appropriation. **VETOED**

$50,000 the first year and $50,000 the second year are for grants to the northwest Hennepin human services council to administer the northwest community law enforcement project, to be available until June 30, 2001. This is a one-time appropriation.

$30,000 the first year is to assist volunteer ambulance services, licensed under Minnesota Statutes, chapter 144E, in purchasing automatic external defibrillators. Ambulance services are eligible for a grant under this provision if they do not already possess an automatic external defibrillator and if they provide a 25 percent match in nonstate funds. This is a one-time appropriation.

$50,000 the first year and $50,000 the second year are for grants under Minnesota Statutes, section 119A.31, subdivision 1, clause (12), to organizations that focus on intervention and prevention of teenage prostitution.

The commissioner of public safety shall administer a program to distribute tire deflators to local or state law enforcement agencies selected by the commissioner of public safety and to distribute or otherwise make available a computer-controlled driving simulator to local or state law enforcement agencies or POST-certified skills programs selected by the commissioner of public safety.

Before any decisions are made on which law enforcement agencies will receive tire deflators or the driving simulator, a committee consisting of a representative from the Minnesota chiefs of police association, a representative from the Minnesota sheriffs association, a representative from the state patrol, and a representative from the Minnesota police and peace officers association shall evaluate the applications. The commissioner shall consult with the committee concerning its evaluation and recommendations on distribution proposals prior to making a final decision on distribution.

Law enforcement agencies that receive tire deflators under this section must: (i) provide any necessary training to their employees concerning use of the tire

deflators; (ii) compile statistics on use of the tire deflators and the results; (iii) provide a one-to-one match in nonstate funds; and (iv) report this information to the commissioner as required.

Law enforcement agencies or POST-certified skills programs that receive a computer-controlled driving simulator under this section must:

(1) provide necessary training to their employees in emergency vehicle operations and in the conduct of police pursuits;

(2) provide a five-year plan for maintaining the hardware necessary to operate the driving simulator;

(3) provide a five-year plan to update software necessary to operate the driving simulator;

(4) provide a plan to make the driving simulator available at a reasonable cost and with reasonable availability to other law enforcement agencies to train their officers; and

(5) provide an estimate of the availability of the driving simulator for use by other law enforcement agencies.

By January 15, 2001, the commissioner shall report to the chairs and ranking minority members of the house and senate committees and divisions having jurisdiction over criminal justice matters on the tire deflators and the driving simulator distributed under this section.

$285,000 the first year is for a one-time grant to the city of Minneapolis to implement a coordinated criminal justice system response to the CODEFOR (Computer Optimized Development-Focus on Results) law enforcement strategy. This appropriation is available until expended.

$795,000 the first year is for a one-time grant to Hennepin county to implement a coordinated criminal justice system response to the CODEFOR (Computer Optimized Development-Focus on Results) law enforcement strategy. This appropriation is available until expended.

$420,000 the first year is for a one-time grant to the fourth judicial district public defender's office to accommodate the CODEFOR (Computer Optimized Development-Focus on Results) law enforcement strategy. This appropriation is available until expended.

$150,000 the first year and $150,000 the second year are for weed and seed grants under Minnesota Statutes, section 299A.63. Money not expended the first year is available for grants during the second year. This is a one-time appropriation.

$200,000 each year is a one-time appropriation for a grant to the center for reducing rural violence to continue the technical assistance and related rural violence prevention services the center offers to rural communities.

$500,000 the first year and $500,000 the second year are to operate the weekend camp program at Camp Ripley described in Laws 1997, chapter 239, article 1, section 12, subdivision 3, as amended by Laws 1998, chapter 367, article 10, section 13. The powers and duties of the department of corrections with respect to the weekend program are transferred to the department of public safety under Minnesota Statutes, section 15.039. The commissioner shall attempt to expand the program to serve 500 juveniles per year within this appropriation.

An additional $125,000 the first year and $125,000 the second year are for the weekend camp program at Camp Ripley.

$500,000 the first year and $500,000 the second year are for Asian-American juvenile crime intervention and prevention grants under Minnesota Statutes, section 256.486. The powers and duties of the department of human services, with respect to that program, are

transferred to the department of public safety under Minnesota Statutes, section 15.039. This is a one-time appropriation.

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Sec. 8. CRIME VICTIM SERVICES CENTER

Subd. 3. Crime Victims Assistance

11,491,000 29,402,000

The executive director of the center and the commissioner of human services shall, in consultation with affected parties, report by October 15, 1999, to the governor, the commissioner of finance, and appropriate legislative committee chairs, on a complete plan and legislation necessary for implementation of the transfer of payments to battered women's shelters from the department to the center effective July 1, 2000. The plan must not exceed funding appropriated for that purpose in fiscal year 2001 and shall assume funding at that same level for the following biennium.

$50,000 the first year and $50,000 the second year are for the crime victim emergency fund.

$109,000 the second year is for the administration of the battered women's shelter per diem payments.

$37,000 the first year and $38,000 the second year are for the pilot project grant program to provide neighborhood-based services to crime victims and witnesses described in article 2, section 23. This appropriation must be used by the grant recipient to begin offering services in new locations. This is a one-time appropriation.

$103,000 the first year and $103,000 the second year are for grants under Minnesota Statutes, section 611A.32, to an existing battered women's shelter in the city of Bloomington.

$103,000 the first year and $103,000 the second year are for grants under Minnesota Statutes, section 611A.32, to an American Indian battered women's shelter in the city of Duluth.

$50,000 the first year is for a grant to the Minnesota state colleges and universities board to be used by the center for applied research and policy analysis at Metropolitan state university to conduct a research project to assess violence in the Asian-Pacific communities and improve data collection practices of mainstream systems and institutions that work with Asian-Pacific communities.

By March 1, 2000, the center shall report the results of the study to the chairs and ranking minority members of the senate and house committees and divisions having jurisdiction over criminal justice policy and funding.

$143,000 the first year is for grants to the family violence coordinating council in the fourth judicial district for the development of a plan and the evaluation and report by the domestic fatality review team under article 2, section 27. This appropriation is available until expended.

$300,000 the first year and $300,000 the second year shall be used to award a grant for the residential program for women leaving prostitution described in article 2, section 25. This is a one-time appropriation.

$30,000 the first year and $30,000 the second year are for grants to the city of St. Paul to provide support services to the surviving family members of homicide, suicide, and accidental death victims. This is a one-time appropriation.

Sec. 13. CORRECTIONS

Subd. 3. Juvenile Services

13,468,000 13,441,000

$100,000 the first year and $100,000 the second year are for asset preservation and facility repair. This funding may be transferred between programs, to the extent it is used for the same purpose. The commissioner may use any other available funding for this purpose, to the extent it is not inconsistent with any other law.

$200,000 the first year and $200,000 the second year are to expand aftercare and transition services to youth under the care of the commissioner of corrections.

$100,000 the first year and $100,000 the second year are for two academic teacher positions at the Minnesota Correctional Facility-Red Wing.

$65,000 the first year and $65,000 the second year are for increased vocational education at the Minnesota Correctional Facility-Red Wing.

$200,000 the first year is for severance costs related to the closure of the Minnesota Correctional Facility-Sauk Centre.

ARTICLE 4 - CORRECTIONS

Sec. 12. [SELECTION OF VENDOR TO OPERATE EDUCATIONAL PROGRAM AT MCF-RED WING.]

The assessment for excellence task force, appointed by the commissioner of corrections, shall assist the commissioner of administration in developing a request for proposals from vendors to operate the educational program at the Minnesota correctional facility - Red Wing. The commissioner of administration shall issue the request for proposals by November 1, 1999, and shall select a vendor who shall begin operating the program by January 1, 2000. The department of corrections may respond to the request for proposals.

ARTICLE 5 - LAW ENFORCEMENT

Sec. 7. [626.8458] [VEHICLE PURSUITS; POLICIES AND INSTRUCTION REQUIRED.]

Subdivision 1. [PURPOSE.] The legislature finds that emergency vehicle operations are an integral part of law enforcement's commitment to public safety. Law enforcement agencies shall make reasonable efforts to guide their officers in the safe and responsible performance of their emergency response duties. Although laws and rules provide the foundation for the conduct of law enforcement officers, continuous and effective training is essential to ensure proper law enforcement action during emergency vehicle operations, including police pursuits. This training must be designed to give officers both skills and decision-making ability so that emergency vehicle operations can be resolved safely and successfully.

Subd. 2. [STATEWIDE MODEL POLICY.] (a) By July 1, 1999, the board shall adopt a new or revised model policy governing the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487. The board shall seek and consider comments of members of the public when adopting the policy. In order to assist peace officers in responding to the complex and unpredictable factors associated with police pursuits, the model policy shall, at a minimum, contain the following components:

(1) a statement describing the philosophy of the model policy. This philosophy must state that the safety of all persons involved in or by a police pursuit is of primary importance. It also must balance the risks of the pursuit to the public and peace officers with the consequences of failing to pursue;

(2) the factors to be considered in initiating and terminating a pursuit, and the standards for evaluating the need to initiate or terminate a pursuit;

(3) the procedures, tactics, and technologies used during pursuits;

(4) the various responsibilities of the pursuing officers, the officer supervising the pursuit, the dispatcher, and air support;

(5) the procedures governing interjurisdictional pursuits;

(6) the procedures governing care of any persons injured in the course of the pursuit;

(7) the contents of pursuit reports filed under section 626.5532; and

(8) the procedures used to evaluate each pursuit.

(b) The board shall review and, as necessary, revise the model pursuit policy in collaboration with the Minnesota chiefs of police association, the Minnesota sheriffs association, the Minnesota police and peace officers association, a representative from the state patrol, and other interested law enforcement industry groups.

Subd. 3. [AGENCY POLICIES REQUIRED.] (a) The chief law enforcement officer of every state and local law enforcement agency must establish and enforce a written policy governing the conduct of peace officers employed by the agency who are in pursuit of a vehicle being operated in violation of section 609.487. The policy must, at a minimum, comply with the requirements of any new or revised model pursuit policy adopted by the board under subdivision 2 and must take into account the comments of members of the public and any pursuit vehicle technology that is available to the agency.

(b) Every state and local law enforcement agency must certify annually to the board that it has adopted a written policy in compliance with the board's model pursuit policy.

(c) The board shall assist the chief law enforcement officer of each state and local law enforcement agency in developing and implementing pursuit policies under this subdivision.

Subd. 4. [PRESERVICE TRAINING IN POLICE PURSUITS REQUIRED.] (a) By January 1, 2000, the board shall prepare learning objectives for instructing peace officers in emergency vehicle operations and in the conduct of police pursuits. The course shall consist of

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at least seven hours of classroom and skills-based training.

(b) An individual is not eligible to take the peace officer licensing examination or the part-time peace officer licensing examination on or after January 1, 2000, unless the individual has received the training described in paragraph (a).

Subd. 5. [IN-SERVICE TRAINING IN POLICE PURSUITS REQUIRED.] The chief law enforcement officer of every state and local law enforcement agency shall provide in-service training in emergency vehicle operations and in the conduct of police pursuits to every peace officer and part-time peace officer employed by the agency who the chief law enforcement officer determines may be involved in a police pursuit given the officer's responsibilities. The training shall comply with learning objectives developed and approved by the board and shall consist of at least eight hours of classroom and skills-based training every three years.

Subd. 6. [LICENSING SANCTIONS; INJUNCTIVE RELIEF.] The board may impose licensing sanctions and seek injunctive relief under section 214.11 for failure to comply with the requirements of this section.

Sec. 12. [626.8468] [PART-TIME PEACE OFFICERS; CAP ON NUMBER PER AGENCY, EXPANDED TRAINING REQUIRED, CONTINUING EDUCATION.]

Subdivision 1. [CAP ON NUMBER OF PART-TIME PEACE OFFICERS PER AGENCY.] (a) A law enforcement agency that employed a licensed part-time peace officer or that was in the process of training an individual to become a licensed part-time peace officer on or before February 1, 1999, may continue to do so. No agency may employ more part-time peace officers than it employed in calendar year 1996, 1997, or 1998.

(b) After January 1, 2000, the board may issue additional part-time peace officer licenses to a law enforcement agency that employs a part-time peace officer and that demonstrates to the board an extraordinary and temporary need for the additional license.

(c) If a local unit of government dissolves a law enforcement agency that employs a part-time peace officer authorized under this subdivision and contracts with another law enforcement agency to provide law enforcement services, the law enforcement agency contracted with may add that number of part-time positions to the agency's maximum under this subdivision if the agency hires or offers employment to all full-time peace officers employed by the dissolved agency at the time of dissolution. The employment offered must be of comparable

responsibility and salary.

Subd. 2. [EXPANDED TRAINING REQUIRED.] Each person seeking initial licensure as a part-time peace officer shall successfully complete the competency training described in section 626.8462. Before issuing a part-time peace officer license or allowing a person to take the examination described in section 626.8462, the board shall ensure that the applicant has successfully completed the training. The chief law enforcement officer of the agency employing or seeking to employ the applicant shall submit proof to the board that the applicant has successfully completed the training before the applicant may take the examination.

Subd. 3. [CONTINUING EDUCATION.] All licensed part-time peace officers shall comply with continuing education standards required by the board. The officers may receive reimbursement for the costs of this education from the peace officers training account described in section 357.021, subdivision 7.

ARTICLE 6 - OTHER PROVISIONS

Sec. 14. Minnesota Statutes 1998, section 346.56, is amended to read: 346.56 [UNAUTHORIZED RELEASE OF ANIMALS.]

Subd. 2. [LIABILITY FOR DAMAGES.] A person who without permission releases an animal lawfully confined for science, research, commerce, or education is liable:

(1) to the owner of the animal for damages, including the costs of restoring the animal to confinement and to its health condition prior to release; ~~and~~

(2) for damage to personal and real property caused by the released animal~~.~~;

(3) if the release causes the failure or interruption of an experiment, ~~the person is liable~~ for all costs of repeating the experiment, including replacement of the animals, labor, and materials; and

(4) for any other damage the person causes to property in the facility from which the animal was released.

Subd. 3. [AMOUNT OF DAMAGES.] A person who is damaged under subdivision 2, clause (3) or (4), is entitled to recover a minimum of $5,000 or three times the actual damages incurred by that person under subdivision 2, clause (3) or (4), whichever is greater, and punitive damages, costs, and reasonable attorney fees.

Subd. 4. [THIRD PARTY LIABILITY; PRESUMPTION.] A person or organization

who plans or assists in the development of a plan to release, without permission, an animal lawfully confined for science, research, commerce, or education, or who otherwise aids, advises, hires, counsels, or encourages another to commit the act is jointly and severally liable for all damages under subdivision 3. There is a rebuttable presumption that a person or organization who claims responsibility for the act is liable under this subdivision.

HEALTH & HUMAN SERVICES OMNIBUS BILL
S.F. 2225 (Chapter 245)

Section	ARTICLE 6 ASSISTANCE PROGRAMS	Language Page
65	**Employment and Training Services Component of MFIP.** Secondary Assessment. Paragraph (d) amending M.S. 256J.52, Subd. 4 specifies the minimum information on additional employment and training resources that an employment and training services provider must make available to each MFIP participant; this includes information on: activities operated under the Minnesota Job Skills Partnership and community and technical colleges.	175

Section	ARTICLE 9 HEALTH CARE OCCUPATIONS	Language Page
39	**EMT Training Programs**. This new language in M.S. 144E requires EMT training programs to be approved by the EMS Regulatory Board and lists qualifications that programs must meet for approval. It establishes additional training program requirements for EMT paramedic programs. It makes training program approvals expire two years after the date of approval, and requires training programs to apply for re-approval at least three months before the expiration of the approval. It allows the Board to suspend, revoke, condition suspend or refuse to renew a program's approval. It allows the Board to audit training programs, including investigating complaints, course inspections, classroom observation, review of instructor qualifications, and student interviews.	175

Section	ARTICLE 10 OTHER PROVISIONS	Language Page
2-8	**Health Care and Human Services Worker Training and Retention Program**. These sections create the Health Care and Human Services Worker Training and Retention Program and directs the Job Skills Partnership Program to administer it. The intent of the program is to alleviate critical worker shortages in these fields, and to increase opportunities for current and potential direct care employees to qualify for advanced employment in these fields. NOTE: Funding for this program in the Higher Education Omnibus Bill (through funds in the Health Care Access Fund) was vetoed by the Governor.	178

Section	ARTICLE 11 TOBACCO SETTLEMENTS PAYMENTS	Language Page
2	Section 2 creates the **Medical Education Endowment Fund**. 39 percent of the funds credited from the tobacco settlement payments are appropriated for transfer to the Medical Education Endowment Fund. This section provides that up to five percent of the earnings in the fund are to be appropriated for medical education activities at the University of Minnesota.	182
5	**Subd. 5. Statewide Tobacco Prevention Grants**. This subdivision. Requires the Commissioner of Health to award competitive grants for statewide projects and initiatives directed at the prevention of use. Eligible applicants include colleges and universities.	183

HEALTH & HUMAN SERVICES OMNIBUS BILL
Chapter 245 (S.F. 2225)

ARTICLE 6 - ASSISTANCE PROGRAMS

Section 65. Employment and Training Services Component of MFIP. Secondary Assessment.

(d) The provider shall make available to participants information regarding additional vendors or resources which provide employment and training services that may be available to the participant under a plan developed under this section. At a minimum, the provider must make available information on the following resources: business and higher education partnerships operated under the Minnesota job skills partnership, community and technical colleges, adult basic education programs, and services offered by vocational rehabilitation programs. The information must include a brief summary of services provided and related performance indicators. Performance indicators must include, but are not limited to, the average time to complete program offerings, placement rates, entry and average wages, and retention rates. To be included in the information given to participants, a vendor or resource must provide counties with relevant information in the format required by the county.

ARTICLE 9 - HEALTH CARE OCCUPATIONS

Sec. 39. [144E.285] [TRAINING PROGRAMS.]

Subdivision 1. [APPROVAL REQUIRED.] (a) All training programs for an EMT, EMT-I, or EMT-P must be approved by the board.

(b) To be approved by the board, a training program must:

(1) submit an application prescribed by the board that includes:

(i) type and length of course to be offered;

(ii) names, addresses, and qualifications of the program medical director, program training coordinator, and certified instructors;

(iii) names and addresses of clinical sites, including a contact person and telephone number;

(iv) admission criteria for students; and

(v) materials and equipment to be used;

(2) for each course, implement the most current version of the United States Department of Transportation curriculum or its equivalent as determined by the board applicable to EMT, EMT-I, or EMT-P training;

(3) have a program medical director and a program coordinator;

(4) utilize instructors who meet the requirements of section 144E.283 for teaching at least 50 percent of the course content. The remaining 50 percent of the course may be taught by guest lecturers approved by the training program coordinator or medical director;

(5) have at least one instructor for every ten students at the practical skill stations;

(6) maintain a written agreement with a licensed hospital or licensed ambulance service designating a clinical training site;

(7) retain documentation of program approval by the board, course outline, and student information;

(8) notify the board of the starting date of a course prior to the beginning of a course; and

(9) submit the appropriate fee as required under section 144E.29.

Subd. 2. [EMT-P REQUIREMENTS.] (a) In addition to the requirements under subdivision 1, paragraph (b), a training program applying for approval to teach EMT-P curriculum must be administered by an educational institution accredited by the Commission of Accreditation of Allied Health Education Programs (CAAHEP).

(b) An EMT-P training program that is administered by an educational institution not accredited by CAAHEP, but that is in the process of completing the accreditation process, may be granted provisional approval by the board upon verification of submission of its self-study report and the appropriate review fee to CAAHEP.

(c) An educational institution that discontinues its participation in the accreditation process must notify the board immediately and provisional approval shall be withdrawn.

Subd. 3. [EXPIRATION.] Training program approval shall expire two years from the date of approval.

Subd. 4. [REAPPROVAL.] A training program shall apply to the board for reapproval at least three months prior to the expiration date of its approval and must:

(1) submit an application prescribed by the board specifying any changes from the information provided for prior approval and any other information requested by the board to clarify incomplete or ambiguous information presented in the application; and

(2) comply with the requirements under subdivision 1, paragraph (b), clauses (2) to (8).

Subd. 5. [DISCIPLINARY ACTION.] (a) The board may deny, suspend, revoke, place conditions on, or refuse to renew approval of a training program that the board determines:

(1) violated subdivisions 1 to 4 or rules adopted under sections 144E.001 to 144E.33; or

(2) misrepresented or falsified information on an application form provided by the board.

(b) Before taking action under paragraph (a), the board shall give notice to a training program of the right to a contested case hearing under chapter 14. If a training program requests a contested case hearing within 30 days after receiving notice, the board shall initiate a contested case hearing according to chapter 14.

(c) The administrative law judge shall issue a report and recommendation within 30 days after closing the contested case hearing record. The board shall issue a final order within 30 days after receipt of the administrative law judge's report.

(d) After six months from the board's decision to deny, revoke, place conditions on, or refuse approval of a training program for disciplinary action, the training program shall have the opportunity to apply to the board for reapproval.

Subd. 6. [TEMPORARY SUSPENSION.] (a) In addition to any other remedy provided by law, the board may temporarily suspend approval of the training program after conducting a preliminary inquiry to determine whether the board believes that the training program has violated a statute or rule that the board is empowered to enforce and determining that the continued provision of service by the training program would create an imminent risk to public health or harm to others.

(b) A temporary suspension order prohibiting the training program from providing emergency medical care training shall give notice of the right to a preliminary hearing according to paragraph (d) and shall state the reasons for the entry of the temporary suspension order.

(c) Service of a temporary suspension order is effective when the order is served on the training program personally or by certified mail, which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the board for the training program.

(d) At the time the board issues a temporary suspension order, the board shall schedule a hearing, to be held before a group of its members designated by the board, that shall begin within 60 days after issuance of the temporary suspension order or within 15 working days of the date of the board's receipt of a request for a hearing from the training program, whichever is sooner. The hearing shall be on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. A hearing under this paragraph is not subject to chapter 14.

(e) Evidence presented by the board or the individual may be in the form of an affidavit.

The training program or counsel of record may appear for oral argument.

(f) Within five working days of the hearing, the board shall issue its order and, if the suspension is continued, notify the training program of the right to a contested case hearing under chapter 14.

(g) If a training program requests a contested case hearing within 30 days of receiving notice under paragraph (f), the board shall initiate a contested case hearing according to chapter 14. The administrative law judge shall issue a report and recommendation within 30 days after the closing of the contested case hearing record. The board shall issue a final order within 30 days after receipt of the administrative law judge's report.

Subd. 7. [AUDIT.] The board may audit training programs approved by the board. The audit may include, but is not limited to, investigation of complaints, course inspection, classroom observation, review of instructor qualifications, and student interviews.

ARTICLE 10 - OTHER PROVISIONS

Sec. 2. Minnesota Statutes 1998, section 116L.02, is amended to read:

116L.02 [JOB SKILLS PARTNERSHIP PROGRAM.]

(a) The Minnesota job skills partnership program is created to act as a catalyst to bring together employers with specific training needs with educational or other nonprofit institutions which can design programs to fill those needs. The partnership shall work closely with employers to train and place workers in identifiable positions as well as assisting educational or other nonprofit institutions in developing training programs that coincide with current and future employer requirements. The partnership shall provide grants to educational or other nonprofit institutions for the purpose of training displaced workers. A participating business must match the grant-in-aid made by the Minnesota job skills partnership. The match may be in the form of funding, equipment, or faculty.

(b) The partnership program shall administer the health care and human services worker training and retention program under sections 116L.10 to 116L.15.

Sec. 3. [116L.10] [PROGRAM ESTABLISHED.]

A health care and human services worker training and retention program is established to:

(1) alleviate critical worker shortages confronting specific geographical areas of the state,

specific health care and human services industries, or specific providers when employers are not currently offering sufficient worker training and retention options and are unable to do so because of the limited size of the employer, economic circumstances, or other limiting factors described in the grant application and verified by the board; and

(2) increase opportunities for current and potential direct care employees to qualify for advanced employment in the health care or human services fields through experience, training, and education.

Sec. 4. [116L.11] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 116L.10 to 116L.15, the terms defined in this section have the meanings given them unless the context clearly indicates otherwise.

Subd. 2. [ELIGIBLE EMPLOYER.] "Eligible employer" means a nursing facility, small rural hospital, intermediate care facility for persons with mental retardation or related conditions, waivered services provider, home health services provider, personal care assistant services provider, semi-independent living services provider, day training and habilitation services provider, or similar provider of health care or human services.

Subd. 3. [POTENTIAL EMPLOYEE TARGET GROUPS.] "Potential employee target groups" means high school students, past and present recipients of Minnesota family investment program benefits, immigrants, senior citizens, current health care and human services workers, and persons who are underemployed or unemployed.

Subd. 4. [QUALIFYING CONSORTIUM.] "Qualifying consortium" means an entity that may include a public or private institution of higher education, work force center, county, and one or more eligible employers, but must include a public or private institution of higher education and one or more eligible employers.

Sec. 5. [116L.12] [FUNDING MECHANISM.]

Subdivision 1. [APPLICATIONS.] A qualifying consortium shall apply to the board in the manner specified by the board.

Subd. 2. [FISCAL REQUIREMENTS.] The application must specify how the consortium will make maximum use of available federal and state training, education, and

employment funds to minimize the need for training and retention grants. A consortium must designate a lead agency as the fiscal agent for reporting, claiming, and receiving payments. An institution of higher learning may be designated as a lead agency, but the governing board of a multicampus higher education system may not be given that designation.

Subd. 3. [PROGRAM TARGETS.] Applications for grants must describe targeted employers or types of employers and must describe the specific critical work force shortage the program is designed to alleviate. Programs may be limited geographically or be statewide. The application must include verification that in the process of determining that a critical work force shortage exists in the target area, the applicant has:

(1) consulted available data on worker shortages;

(2) conferred with other employers in the target area; and

(3) compared shortages in the target area with shortages at the regional or statewide level.

Subd. 4. [GRANTS.] Within the limits of available appropriations, the board shall make grants to qualifying consortia to operate local, regional, or statewide training and retention programs. Grant awards must establish specific, measurable outcomes and timelines for achieving those outcomes.

Subd. 5. [LOCAL MATCH REQUIREMENTS.] A consortium must provide at least a 50 percent match from local resources for money appropriated under this section. The local match requirement must be satisfied on an overall program basis but need not be satisfied for each particular client. The local match requirement may be reduced for consortia that include a relatively large number of small employers whose financial contribution has been reduced in accordance with section 116L.15.In-kind services and expenditures under section 116L.13, subdivision 2, may be used to meet this local match requirement. The grant application must specify the financial contribution from each member of the consortium.

Subd. 6. [INELIGIBLE WORKER CATEGORIES.] Grants shall not be made to alleviate shortages of physicians, physician assistants, or advanced practice nurses.

Subd. 7. [EVALUATION.] The board shall evaluate the success of consortia that receive grants in achieving expected outcomes and shall report to the legislature annually. The report must compare consortia in terms of overall program costs, costs per client, retention rates, advancement rates, and other outcome measurements established in the grantmaking process. The first report shall be due on March 15, 2000, and on January 15 annually in succeeding years.

The report shall include any recommendations from the board to modify the grant program.

Sec. 6. [116L.13] [PROGRAM REQUIREMENTS.]

Subdivision 1. [MARKETING AND RECRUITMENT.] A qualifying consortium must implement a marketing and outreach strategy to recruit into the health care and human services fields persons from one or more of the potential employee target groups. Recruitment strategies must include a screening process to evaluate whether potential employees may be disqualified as the result of a required background check or are otherwise unlikely to succeed in the position for which they are being recruited.

Subd. 2. [RECRUITMENT AND RETENTION INCENTIVES.] Employer members of a consortium must provide incentives to train and retain employees. These incentives may include, but are not limited to:

(1) paid salary during initial training periods, but only if specifically approved by the board, which must certify that the employer has not formerly paid employees during the initial training period and is unable to do so because of the employer's limited size, financial condition, or other factors;

(2) scholarship programs under which a specified amount is deposited into an educational account for the employee for each hour worked, which may include contributions on behalf of an employee to an Edvest account under Minnesota Statutes, sections 136A.241 to 136A.245;

(3) the provision of advanced education to employees so that they may qualify for advanced positions in the health care or human services fields. This education may be provided at the employer's site, at the site of a nearby employer, or at a local educational institution or other site. Preference shall be given to grantees that offer flexible advanced training to employees at convenient sites, allow workers time off with pay during the work day to participate, and provide education at no cost to students or through employer-based scholarships that pay expenses prior to the start of classes rather than upon completion;

(4) work maturity or soft skills training, adult basic education, English as a second language instruction, and basic computer orientation for persons with limited previous attachment to the work force due to a lack of these skills;

(5) child care subsidies during training or educational activities;

(6) transportation to training and education programs; and

(7) programs to coordinate efforts by employer members of the consortium to share staff among employers where feasible, to pool employee and employer benefit contributions in order to enhance benefit packages, and to coordinate education and training opportunities for staff in order to increase the availability and flexibility of education and training programs.

Subd. 3. [WORK HOUR LIMITS.] High school students participating in a training and retention program shall not be permitted to work more than 20 hours per week when school is in session.

Subd. 4. [COLLECTIVE BARGAINING AGREEMENTS.] This section shall be implemented consistent with existing collective bargaining agreements covering health care and human services employees.

Sec. 7. [116L.14] [CAREER ENHANCEMENT REQUIREMENTS.]

All consortium members must work cooperatively to establish and maintain a career ladder program under which direct care staff have the opportunity to advance along a career development path that includes regular educational opportunities, coordination between job duties and educational opportunities, and a planned series of promotions for which qualified employees will be eligible. This section shall be implemented consistent with existing collective bargaining agreements covering direct care staff.

Sec. 8. [116L.15] [SMALL EMPLOYER PROTECTION.]

Grantees must guarantee that small employers, including licensed personal care assistant organizations, be allowed to participate in consortium programs. The financial contribution required from a small employer must be adjusted to reflect the employer's financial circumstances.

ARTICLE 11 - TOBACCO SETTLEMENTS PAYMENTS

Sec. 2. [62J.694] [MEDICAL EDUCATION ENDOWMENT FUND.]

Subdivision 1. [CREATION.] The medical education endowment fund is created in the state treasury. The state board of investment shall invest the fund under section 11A.24. All earnings of the fund must be credited to the fund. The principal of the fund must be maintained inviolate.

Subd. 2. [EXPENDITURES.] (a) Earnings of the fund, up to five percent of the fair market value of the fund, are appropriated for medical education activities in the state of Minnesota. The appropriations are to be transferred quarterly for the purposes identified in the following paragraphs. Actual appropriations are not to exceed actual earnings.

(b) For fiscal year 2000, 70 percent of the appropriation in paragraph (a) is for transfer to the board of regents for the instructional costs of health professional programs at the academic health center and affiliated teaching institutions, and 30 percent of the appropriation is for transfer to the commissioner of health to be distributed for medical education under section 62J.692.

(c) For fiscal year 2001, 49 percent of the appropriation in paragraph (a) is for transfer to the board of regents for the instructional costs of health professional programs at the academic health center and affiliated teaching institutions, and 51 percent is for transfer to the commissioner of health to be distributed for medical education under section 62J.692.

(d) For fiscal year 2002, and each year thereafter, 42 percent of the appropriation in paragraph (a) may be appropriated by another law for the instructional costs of health professional programs at publicly funded academic health centers and affiliated teaching institutions, and 58 percent is for transfer to the commissioner of health to be distributed for medical education under section 62J.692.

(e) A maximum of $150,000 of each annual appropriation to the commissioner of health in paragraph (d) may be used by the commissioner for administrative expenses associated with implementing section 62J.692.

Subd. 3. [AUDITS REQUIRED.] The legislative auditor shall audit endowment fund expenditures to ensure that the money is spent for the purposes set out in this section.

Subd. 4. [SUNSET.] The medical education endowment fund expires June 30, 2015. Upon expiration, the commissioner of finance shall transfer the principal and any remaining interest to the general fund.

Section 5. TOBACCO USE PREVENTION

Subd. 5. [STATEWIDE TOBACCO PREVENTION GRANTS.] (a) The commissioner of health shall award competitive grants to eligible applicants for projects and initiatives directed at the prevention of tobacco use. The project areas for grants include:

(1) statewide public education and information campaigns which include implementation at the local level; and

(2) coordinated special projects, including training and technical assistance, a resource clearinghouse, and contracts with ethnic and minority communities.

(b) Eligible applicants may include, but are not limited to, nonprofit organizations, colleges and universities, professional health associations, community health boards, and other health care organizations. Applicants must submit proposals to the commissioner. The proposals must specify the strategies to be implemented to target tobacco use among youth, and must take into account the need for a coordinated statewide tobacco prevention effort.

(c) The commissioner must give priority to applicants who demonstrate that the proposed project:

(1) is research based or based on proven effective strategies;

(2) is designed to coordinate with other activities and education messages related to other health initiatives;

(3) utilizes and enhances existing prevention activities and resources; or

(4) involves innovative approaches preventing tobacco use among youth.

TAX BILL
H.F. 2420 (Chapter)

Section	ARTICLE 2 INCOME AND FRANCHISE TAXES	Language Page
4	**Subd. 19b. Subtractions from Taxable Income**. The changes to clause (4) allow individual taxpayers to subtract individual retirement account (IRA), and public employee pension contributions that were deductible for federal purposes but not for state purposes. Minnesota did not immediately adopt the expanded contributions rules for these plans under the federal Economic Recovery Tax Act of 1981. The law now allows taxpayers to deduct these contributions as they receive distributions from the plans. The bill allows the amounts not yet deducted to be claimed in tax year 2000. The subtractions under present law that apply when distributions are received is eliminated.	187

Section	ARTICLE 3 FEDERAL TAX UPDATE	Language Page
2	**Subd. 19. Net Income**. This subdivision adopts federal changes to the definition of taxable income in several federal Acts. These acts include many technical changes to the definition but one substantive change includes Education Loan Interest Deduction. This provides that interest paid on a loan from an employer's qualified pension plan does not qualify for deduction as education loan interest. Effective for loans incurred after August 5, 1977, and interest due after December 31, 1997. To be considered deductible interest, the debt must be incurred solely to pay higher education expenses. Effective for interest paid in tax years beginning after December 31, 1997.	187

Section	ARTICLE 8 MINNESOTA CARE	Language Page
1	**Subd. 4. Definitions of Health Care Provider**. Clause (b)(4) excludes schools and other educational institutions that employ a health care provider to provide services to their students from the definition of a health care provider . Educational institutions that receive fee for service payments and payments for extended coverage remain subject to tax.	187

Section	ARTICLE 12 BUSINESS SUBSIDIES	Language Page
	This article establishes new regulations on business subsidies awarded by state and local governmental units. In general, these rules apply only to awards of $25,000 or more that are provided to individual businesses. The rules, however, do not apply to a large number of types of business subsidies given to individual businesses, such as redevelopment, pollution control and clean up, industrial revenue bonds, and so forth. Governmental agencies awarding business subsidies must establish specific public purpose goals for the subsidies and to enter specific subsidy agreements.	
1	**Definitions. Subd. 3. A Business Subsidy** means at clause (6), assistance provided to organizations whose primary mission is to provide job readiness and training services if the sole purpose of the assistance is to provide those services; and at clause (15) means assistance for a collaboration between a Minnesota higher education institution and a business.	188

TAX BILL
Chapter (H.F. 2420)

ARTICLE 2 - INCOME & FRANCHISE TAXES

Section 4, Subd. 19b. Subtractions from Federal Taxable Income.

(4) contributions made in taxable years beginning after December 31, 1981, and before January 1, 1985, to ~~the extent included in federal taxable income, distributions from~~ a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person ~~that represent a return of contributions~~ that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. ~~The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted~~, less any amount allowed to be subtracted as a distribution under this subdivision or a predecessor provision in taxable years that began before January 1, 2000. This subtraction applies only ~~to contributions made in a taxable year prior to 1985~~ for taxable years beginning after December 31, 1999, and before January 1, 2001;

ARTICLE 3 - FEDERAL TAX UPDATE

Section 2, Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

ARTICLE 8 - MINNESOTA CARE TAX

Section 1, Subd. 4. Definitions of Health Care Porvider.

(b) Health care provider does not include: (1) hospitals; medical supplies distributors, except as specified under paragraph (a), clause (5); nursing homes licensed under chapter 144A or licensed in any other jurisdiction; pharmacies; surgical centers; bus and taxicab transportation, or any other providers of transportation services other than ambulance services required to be licensed; supervised living facilities for persons with mental retardation or related conditions, licensed under Minnesota Rules, parts 4665.0100 to 4665.9900; residential care homes licensed

under chapter 144B; board and lodging establishments providing only custodial services that are licensed under chapter 157 and registered under section 157.17 to provide supportive services or health supervision services; adult foster homes as defined in Minnesota Rules, part 9555.5105; day training and habilitation services for adults with mental retardation and related conditions as defined in section 252.41, subdivision 3; and boarding care homes, as defined in Minnesota Rules, part 4655.0100.;

~~(c) For purposes of this subdivision, "directly to a patient or consumer" includes goods and services provided in connection with independent medical examinations under section 65B.56 or other examinations for purposes of litigation or insurance claims.~~

(2) home health agencies as defined in Minnesota Rules, part 9505.0175, subpart 15; a person providing personal care services and supervision of personal care services as defined in Minnesota Rules, part 9505.0335; a person providing private duty nursing services as defined in Minnesota Rules, part 9505.0360; and home care providers required to be licensed under chapter 144A;

(3) a person who employs health care providers solely for the purpose of providing patient services to its employees; and

(4) an educational institution that employs health care providers solely for the purpose of providing patient services to its students if the institution does not receive fee for service payments or payments for extended coverage.

ARTICLE 12 - BUSINESS SUBSIDIES

Section 1. Definitions. Subd. 3. [BUSINESS SUBSIDY.] "Business subsidy" or "subsidy" means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.

The following forms of financial assistance are not a business subsidy:

(6) assistance provided to organizations whose primary mission is to provide job readiness and training services if the sole purpose of the assistance is to provide those services;

(15) assistance for a collaboration between a Minnesota higher education institution and a business;

EARLY CHILDHOOD OMNIBUS BILL
H.F. 1467 (Chapter)

Section	ARTICLE 1 CHILDREN AND FAMILY *SUPPORT PROGRAMS*	Language *Page*
2	**Early Childhood Learning and Child Protection Facilities**. Among other provisions, this section specifies that the Commissioner may make grants to state agencies and political subdivisions to construct or rehabilitate facilities for early childhood programs. At least 25 percent of the amount of the grants must be used in conjunction with the youth employment and training programs operated by the Commissioner of Economic Security.	191
5	**Family**. This section changes the definition of family in child care assistance programs by including specified adults who are temporarily absent from the home. It defines dependent adult family member to include a full-time post secondary student who is supported 50 percent or more by the family.	191
31	**Assistance for Persons Seeking and Retaining Employment**. This section changes the work requirement for full-time students from 20 hours to 10 hours per week. It clarifies that work-study programs count as employment.	192

EARLY CHILDHOOD OMNIBUS BILL
Chapter (H.F. 1467)

ARTICLE 1 - CHILDREN AND FAMILY SUPPORT PROGRAMS

Sec. 2. Minnesota Statutes 1998, section 119A.45, is amended to read:

119A.45 [EARLY CHILDHOOD LEARNING AND CHILD PROTECTION FACILITIES.]

The commissioner may make grants to state agencies and political subdivisions to construct or rehabilitate facilities for ~~Head Start, early childhood and family education programs, other early childhood intervention programs, or demonstration family service centers housing multiagency collaboratives~~ early childhood programs, with priority to centers in counties or municipalities with the highest number of children living in poverty. The commissioner may also make grants to state agencies and political subdivisions to construct or rehabilitate facilities for crisis nurseries or child visitation centers. The facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner must prescribe the terms and conditions of the leases. A grant for an individual facility must not exceed $200,000 for each program that is housed in the facility, up to a maximum of $500,000 for a facility that houses three programs or more. Programs include Head Start, early childhood and family education programs, and other early childhood intervention programs. The commissioner must give priority to grants that involve collaboration among sponsors of programs under this section. At least 25 percent of the amounts appropriated for these grants must be used in conjunction with the youth employment and training programs operated by the commissioner of economic security. Eligible programs must consult with appropriate labor organizations to deliver education and training.

Sec. 5. Minnesota Statutes 1998, section 119B.01, subdivision 10, is amended to read:

Subd. 10. [FAMILY.] "Family" means parents, stepparents, guardians and their spouses, or other eligible relative ~~caretakers~~ caregivers and their spouses, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities or parents, stepparents, guardians and their spouses, or other relative caregivers and their spouses temporarily absent from the household in settings such as schools, military service, or rehabilitation programs. When a minor parent or parents and his,

her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and ~~the~~ their child or children. ~~An adult may be considered a dependent member of the family unit if 50 percent of the adult's support is being provided by the parents, stepparents, guardians and their spouses, or eligible relative caretakers and their spouses, residing in the same household.~~ An adult age 18 or older who meets this definition of family and is a full-time high school or post-secondary student ~~and can reasonably be expected to graduate before age 19~~ may be considered a dependent member of the family unit if 50 percent or more of the adult's support is provided by the parents, stepparents, guardians, and their spouses or eligible relative caregivers and their spouses residing in the same household.

Sec. 31. Minnesota Statutes 1998, section 119B.10, subdivision 1, is amended to read:

Subdivision 1. [ASSISTANCE FOR PERSONS SEEKING AND RETAINING EMPLOYMENT.] (a) Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive up to 240 hours of child care assistance per calendar year.

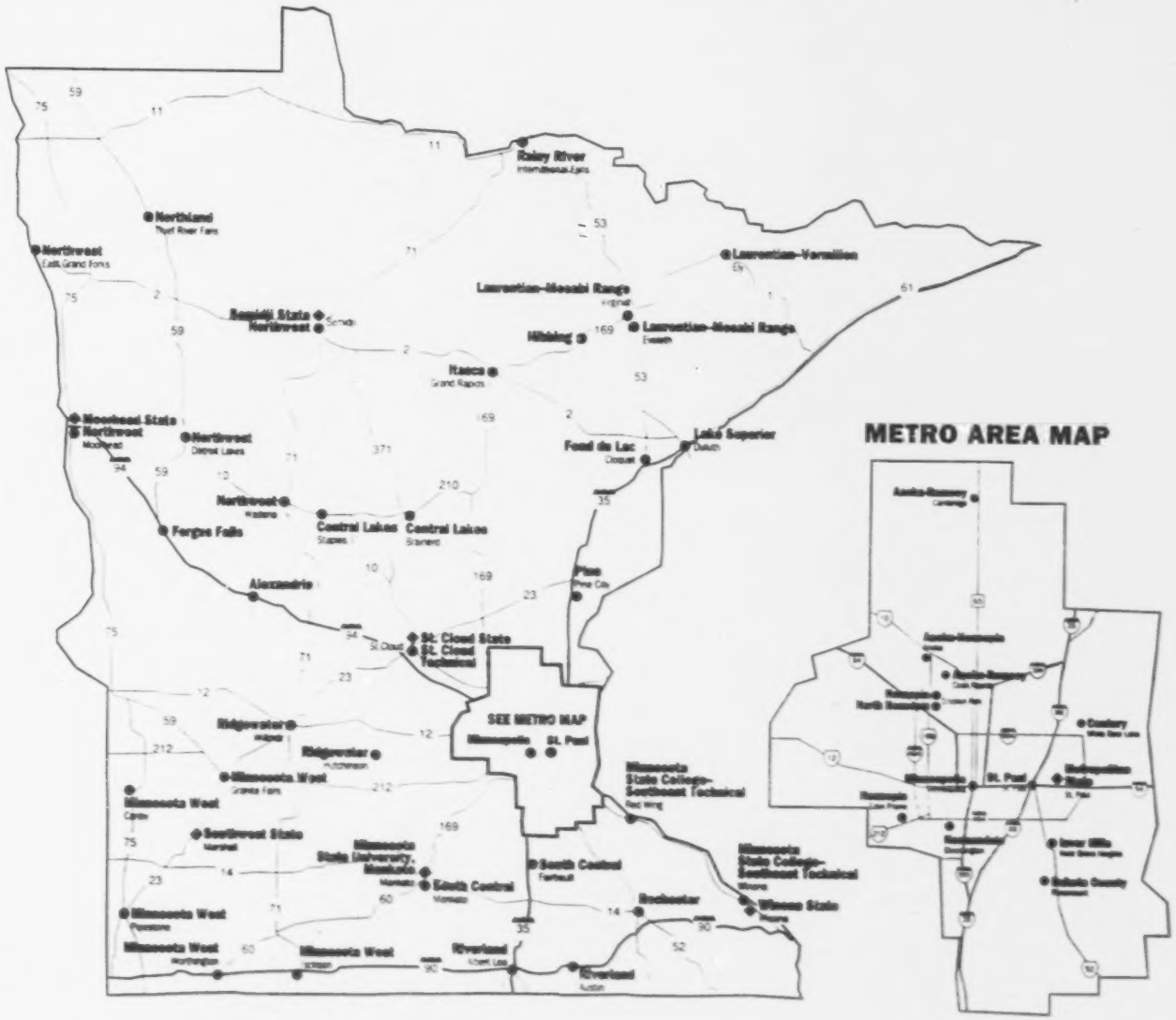
(b) Employed persons who work at least an average of 20 hours and full-time students who work at least an average of ten hours a week and receive at least a minimum wage for all hours worked are eligible for continued child care assistance for employment. For purposes of this section, work-study programs must be counted as employment. Child care assistance during employment must be authorized as provided in paragraphs (c) and (d).

(c) When the ~~caregiver~~ person works for an hourly wage and the hourly wage is equal to or greater than the applicable minimum wage, child care assistance shall be provided for the actual hours of employment, break, and mealtime during the employment and travel time up to two hours per day.

(d) When the ~~caregiver~~ person does not work for an hourly wage, child care assistance must be provided for the lesser of:

(1) the amount of child care determined by dividing gross earned income by the applicable minimum wage, up to one hour every eight hours for meals and break time, plus up to two hours per day for travel time; or

(2) the amount of child care equal to the actual amount of child care used during employment, including break and mealtime during employment, and travel time up to two hours per day.



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